

Europeans Reach a Peacekeeping Accord as France Yields

Compiled by Our Staff From Dispatches
BRUSSELS — The North Atlantic Treaty Organization and its former Warsaw Pact foes agreed Friday to prepare for joint peacekeeping missions in Europe after France dropped its opposition to the idea, alliance sources said.

A statement issued after a meeting in Brussels of the 16 NATO members, Eastern European nations and former Soviet republics said they had agreed on a plan for cooperation.

This would include "joint sessions on planning of peacekeeping missions, joint participation in peacekeeping training and consideration of possible joint peacekeeping exercises," the statement said.

France, which has been reluctant to extend the role of the U.S.-led alliance beyond the defense of its members, had earlier blocked those plans, despite calls from all other nations to work together in solving crises in Europe.

"The French finally gave in," said a NATO source, who asked not to be identified. "We have a deal."

NATO officials made clear that any joint operations would have to be requested first by the United Nations or the Conference on Security and Cooperation in Europe.

Some Eastern European nations, including Poland, Hungary and Czechoslovakia, are worried that more conflicts will start in Europe and have said they want to join NATO.

Secretary of State Lawrence S. Eagleburger had earlier criticized Paris for blocking the NATO plan. He said he hoped France "will recognize that we must move ahead" with plans to develop joint peacekeeping "when the peace of the New Europe is threatened on numerous fronts."

France is a NATO member, but is not part of its integrated military command. It has resisted U.S. pressure to give NATO new post-Cold War tasks, notably in providing peacekeeping troops to trouble spots across Europe.

While it has agreed to put a future French-German corps under NATO command in times of crisis, Paris is wary of getting too involved militarily in NATO.

Instead, it wants a bigger role for the Western European Union, a defense group of 10 nations.

Officials said Poland and Hungary had offered military bases as centers for peacekeeping training. But the alliance has so far refused to offer any Eastern European countries membership or security guarantees, saying the cooperation council, set up one year ago, is the best way forward for now.

Mr. Eagleburger said all have an interest in preventing nationalist or ethnic strife in Eastern Europe.

Cooperation in peacekeeping between the alliance and Eastern Europe "will help us to surmount the kinds of crises and conflicts we are inevitably going to face in the years to come," he said. (Reuters, AP)

WORLD BRIEFS

U.S. Warns Iraq on Harassing Kurds

WASHINGTON (NYT) — The Bush administration warned Iraq on Friday against military action against Kurdish enclaves in the north of the country and accused Baghdad of harassing United Nations relief operations intended to help the Kurds.

"Iraq has long had forces in northern Iraq capable of moving against Kurdish areas on short notice," said Edward P. Djerejian, assistant secretary for Near Eastern and South Asian Affairs. "The Iraqis also understand the serious consequences that would result if they were to move against the Kurds."

In recent days, U.S. officials have become increasingly concerned by the massing of Iraqi troops adjacent to the Kurdish enclave. Mr. Djerejian said that Iraqi soldiers have harassed UN truck convoys bringing food and medical supplies from Turkey into the area, which was established as a zone to protect Kurds from Iraqi attacks at the end of the Gulf War.

French Socialists Agree to AIDS Trial

PARIS (Reuters) — In a bid to defuse mounting public outrage, France's governing Socialists on Friday agreed to send their leader, Laurent Fabius, and two of his former ministers for trial in a scandal over AIDS-tainted blood transfusions.

The party lined up behind Mr. Fabius, a protégé of President François Mitterrand, after he sought a trial Thursday in a stunning about-face. Mr. Fabius, 46, was prime minister in 1985 when hundreds of hemophiliacs were infected by blood that was not heated even though the technique for destroying the virus was known.

The Socialist move cleared the way for legislators to vote on sending Mr. Fabius and the former minister for social affairs, Gertrude Dufou, and the former health minister, Edmond Hervé, to trial before the parliamentary High Court. The National Assembly is expected to approve the motion Saturday and send it to the Senate for consideration on Sunday.

Khmer Rouge Free 46 UN Troops

PHNOM PENH (AFP) — Khmer Rouge guerrillas released 46 armed Indonesian peacekeepers on Friday who were held overnight in central Cambodia, but took away their UN vehicle, United Nations officials said. UN negotiators were trying to get it back, a spokesman said.

The 46 were in an armed standoff with their captors for 24 hours after a Khmer Rouge official refused them permission to leave the hamlet in central Kompong Thom Province, the United Nations said.

But the Indonesians, led by Captain Robert Lumempouw, said in Kompong Thom that their team was never held against its will, and that the Khmer Rouge told them they could leave if they left their four-wheeled vehicle behind. Earlier, the guerrillas released 21 captives, including a Frenchman, an American, a Chinese and several Indonesians.

Key Japanese Faction Splits 3 Ways

TOKYO (AFP) — The most influential political group in the governing Liberal Democratic Party split three ways Friday after a former finance minister, Tsutomu Hata, and 43 other legislators formed a new faction.

Mr. Hata pledged to work for internal political reforms to restore confidence in Japan's political institutions, battered by a year of influence-buying scandals.

The split means the Takeshita faction, headed by Keizo Obuchi, a former chief cabinet secretary, has lost its dominant role within the governing party. The former 110-member faction is now divided into the Obuchi group, with 62 members; the Hata group, with 44, and a remaining group of four who refused to go along with either side and have not yet chosen a leader.

Bush Meets Major For Bosnia Talks

WASHINGTON — President George Bush and Prime Minister John Major began talks Friday on reaching a consensus on enforcing a "no-fly" zone in Bosnia-Herzegovina.

Mr. Bush has been leading an effort to crack down on Serbs violating the United Nations-imposed zone. That stance has prompted a cautious response from the British prime minister because of possible reprisals against British peacekeeping troops there.

Washington has been working in persuade the Security Council to pass a resolution that would give the Serbs a 15-day grace period before threats of shooting down aircraft were carried out. The General Assembly proposed Friday that the Security Council consider enforcing the no-fly zone.

A similar zone was imposed by the Western allies over southern Iraq to protect Shiite Muslims from attack by government forces. No aircraft have been downed in violation of that ban.

Bonn Completes Ratification of Maastricht Treaty

BONN — Germany on Friday formally ratified the Treaty on European Union, leaving only Britain and Denmark to decide.

The Bundestag, or upper house of parliament, unanimously accepted terms of the treaty signed last year in the Dutch city of Maastricht. The expected approval came after only two hours of debate. The Bundestag, or lower house, overwhelmingly approved the treaty on Dec. 2.

Enforcing the ban in Bosnia-Herzegovina, however, seems more problematical. Radovan Karadzic, the Bosnian Serb leader, has threatened to target UN troops if any aircraft were downed.

Friday's session, which included efforts to reach an accord in General Agreement on Tariffs and Trade talks to liberalize world trade policies, was to be followed by informal meetings Saturday and Sunday.

Mr. Major, president of the European Community, will not meet with Bill Clinton until early next year. Aides have said that Mr. Clinton was unable to meet with any foreign leaders until after he became president on Jan. 20, although he was indicated Thursday that he might meet with President Carlos Salinas de Gortari of Mexico before then.

The treaty calls for political, economic and monetary union by the end of the decade, but has come under increasing attack since it was signed by the European Community's leaders.

"The people fear a centralized, large and unified state," said Max Streibl, the premier of Bavaria and a top official of the conservative Christian Social Union, the Bavarian sister party of Chancellor Helmut Kohl's Christian Democrats.

But Mr. Streibl said a "no to Maastricht" was not the answer. "We need Europe," he told the Bundestag before the vote, adding that the continent's attempts to deal with war, refugees and environmental problems that extend beyond national borders could only be addressed by a unified community.

All EC countries will have ratified the treaty by the end of the year except Denmark, whose voters rejected it in a referendum, and Britain. (AP, Reuters)

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Both sides said the lack of a meeting had nothing to do with help that Mr. Major's Conservative Party gave Mr. Bush's Republican Party in the U.S. election campaign and had not dented the "special relationship" between the two countries.

British officials have acknowledged that they conducted a search of their passport files to determine whether Mr. Clinton had ever applied to change his citizenship during the Vietnam War years.



PICKING UP THE PIECES IN KABUL — A Kabul resident carrying wire collected Friday from buildings destroyed in clashes last week between rival mujahidin forces. Gulbuddin Hekmatyar, leader of the Islamic Party, and General Abdul Majid, second in command of the formerly Communist militia, threatened to unleash more fighting unless a new interim president was named.

Israeli Expulsions Evoke Conflicting Legal Views

By Joel Greenberg
New York Times Service

JERUSALEM — Deportations of suspected Palestinian militants from the occupied territories have been repeatedly condemned by the United States and other countries as violations of international law, but successive Israeli governments and Israeli Supreme Court rulings call the expulsions legal.

Israel's Emergency Defense Regulations, dating from the British mandate in Palestine, empower regional military commanders in the West Bank and Gaza Strip to order deportations for security reasons.

Deportees have been allowed to appeal their expulsion to a military panel and then petition the Israeli Supreme Court, although the nearly 400 expelled Thursday were denied a prior appeal.

Critics of the deportations say they violate Article 49 of the 1949 Fourth Geneva Convention, which states: "Individual or mass forcible transfers, as well as deportations of protected persons from occupied territory to that of the Occupying Power or to that of any other country, occupied or not, are prohibited, regardless of their motive."

"Unlawful deportation" is defined as a "grave breach" of the convention.

The Israeli Supreme Court has disagreed, ruling on several occasions that deportations of individual Palestinians from the occupied territories do not violate the convention, since it was intended to prevent the kind of mass population transfers carried out by the Nazis in World War II.

Expulsions of Palestinians for security reasons have "nothing to do with the deportations for forced labor, torture, and extermination that occurred in the Second World War," the Israeli Supreme Court said in 1979.

Such rulings have been challenged by dissenting judges and by jurists in Israel and abroad who maintain that the convention applies to all deportations, whatever their reason.

"The prohibition is intended to be total, sweeping, and unrestricted," Justice Gavriel Bach wrote in a minority opinion in 1987.

Israel also maintains that although it voluntarily applies the provisions of the Geneva Convention regarding occupied territories, it is not legally bound to abide by it for two reasons: the West Bank and Gaza Strip had not been lawfully held by Jordan and Egypt before the 1967 Arab-Israeli war, and the convention has not been incorporated into Israeli law.

ELECT: A Divided Serbia

Mr. Panic is at best ignorant of the country he seeks to lead and at worst an agent for hostile foreign interests.

Mr. Milosevic acquiesced in the decision to offer the federal prime minister's post in Mr. Panic, but relations between the two quickly soured. The country no longer seems big enough for both of them.

Although this is a mixed town, where Croats, Hungarians and members of other ethnic minority groups live alongside Serbs, there has been no serious political violence here. Only a few barroom brawls among intoxicated partisans have marred the local campaign. But everyone seems to recognize that they are facing a fateful moment in Serbian history.

"I am really afraid of civil war if Milosevic loses the election," said Strenski Karlovci's mayor, Pavle Straser. "Panic may try to push economic reforms too hard and too fast, like Mr. Yeltsin in Russia. That could lead to real trouble."

The Reverend Miroslav Damanjanovic offered a contrary view: "Panic can stop the war and get the United Nations to lift its sanctions against us," he said. "The sanctions were not really imposed from outside. They are the result of policies made in Belgrade."



Serbs rallying in favor of President Slobodan Milosevic at an election rally in central Belgrade.

Jewish Congress Will Consider a German Boycott

BERLIN — The World Jewish Congress will discuss at a meeting next week the imposition of a boycott on German goods and the severing of tourism links in retaliation for a wave of neo-Nazi actions in Germany, a German Jewish leader said Friday.

Ignatz Bubis, chairman of Germany's Central Council of Jews, said he would attend the meeting on Tuesday in New York to persuade the congress's 64 member organizations to drop the idea of a boycott.

"Hitler isn't here, Germany is not burning," Mr. Bubis was quoted as saying by the Berlin newspaper Der Tagesspiegel.

Mr. Bubis said he felt confident that Germany was taking the neo-Nazi threat seriously after judges imposed stiffer sentences than the prosecution had demanded in recent trials of rightist youths.

"I'll be going to New York to stand up for Germany's interests," he said.

End Bosnia Embargo, 102 at UN Say

UNITED NATIONS, New York — The 179-nation General Assembly proposed Friday that the Security Council drop its arms embargo against Bosnia-Herzegovina.

The General Assembly — voting 102-0, with 57 abstentions — approved a resolution that also urges the council to consider enforcing a no-fly zone over Bosnia and setting up a war-crimes tribunal.

The resolution, initiated by Islamic states, is nonbinding but in the words of Bosnia's ambassador, Muhamed Sacirbey, it sends "a

clear ethical and moral message to the Security Council."

Earlier, the Security Council strongly condemned reported mass rapes of Muslim women in Bosnia and requested UN armed escorts for European human-rights monitors investigating camps where the atrocities took place.

A resolution, adopted by a vote of 15 to 0, "strongly condemns these acts of unspeakable brutality" and supports a European Community initiative to send an investigation team to Serb camps in Bosnia-Herzegovina.

The resolution asks Secretary-General Butros Butros Ghali to "provide such necessary means of support as are available to him" to enable the delegation to have free access to places of detention.

This is expected to include armed escorts from the 20,000-member UN Protection Force in the former Yugoslavia.

Mr. Butros Ghali was asked to report back within 15 days on measures taken to support the unit. (Reuters, AFP)

EXPEL: Roaming No-Man's-Land

(Continued from page 1)

although 26 percent said they feared it would lead to further violence. A commentator in Ha'aretz, Yoel Marcus, wrote that the deportations were "intended to calm the anger and sense of impotence felt by the public."

But the decision provoked an uproar among leftist parties, which are key members of Mr. Rabin's coalition. Ministers from the Meretz bloc voted for the mass deportation on Wednesday night, saying

they hoped to forestall more serious actions. But the bloc's council later condemned the action as "a gross violation of human rights and the principles of international law."

Israel braced for an expected United Nations Security Council vote condemning the deportations, and the expulsions continued to provoke denunciations from other capitals.

Foreign ministers from Syria, Lebanon, Jordan and Egypt, as well as a representative of the Palestine Liberation Organization, are expected to convene in Cairo in the next few days.

Arab Reporter For CBS and Times Is Freed

JERUSALEM — After taking him to the border and nearly deporting him to Lebanon, Israeli authorities on Friday freed a Palestinian journalist in the Gaza Strip.

The journalist, Taher Shritich, who works for several foreign news organizations, including The New York Times, CBS News and Reuters, was among the more than 400 Palestinians who on Thursday were handcuffed, blindfolded and then taken north by bus from Gaza and the West Bank.

The underground leadership of the uprising in the occupied territories issued a leaflet on Friday denouncing the deportations and calling for 10 days of "fire and anger against occupation." Israel kept the West Bank and Gaza Strip sealed off from the rest of the country, and much of Gaza under curfew.

Lebanon Protests to UN

The Lebanese government, urged on by Islamic Jihad, Hamas and a message from the PLO chairman, Yasser Arafat, was intent on keeping the Palestinians out, news agencies reported.

Prime Minister Rafiq Hariri of Lebanon said in an interview with CNN that it was all the responsibility of Israel for expelling the Palestinians, and that even if Israel refused to take them back "we will not take them in."

Lebanon protested to the United Nations Security Council on Friday and called for it to meet. The UN secretary-general, Butros Butros Ghali, called on Israel to rescind the deportation orders. (Reuters, AP)

TRAVEL UPDATE

American Tops Airline Rating in U.S.

NEW YORK (Reuters) — American Airlines was rated best national carrier in the United States, and Delta Air Lines finished a close second in a consumer survey. But the regional carrier, Alaska Airlines, was ranked No. 1 overall, out of 11 airlines listed in the survey by the Zagat Travel Guides.

Among the international carriers, four of the five top positions were captured by Asian carriers. The exception was Swissair, which took second place.

In general, the international carriers beat the U.S. airlines. But the survey noted the international carriers had the advantage of being rated on long-haul, widebody international service, as opposed to domestic carriers, which generally make shorter flights. On timeliness, reliability and food, Singapore Airlines was rated No. 1 and Aeroflot, the former Soviet line, last. The 11 domestic U.S. airlines ranked overall were, in descending order: Alaska, Midwest Express, American, Delta, United, America West, Northwest Airlines, regional carrier Southwest, USAir, Continental Airlines and TWA.

The nine unions of ground crew at Air France decided Friday to call on members to strike for 3 hours 40 minutes on Wednesday to protest planned job cuts. The stoppages, accompanied by demonstrations, are to be staged at times yet to be determined at Charles de Gaulle and Orly airports in Paris.

The city of Ankara signed two accords amounting to \$880 million to build an underground railroad. One accord, for a \$660 million metro project, was with a consortium including Canadian UTDC-Bombardier. The other was a \$220 million loan agreement with a group of 16 banks to finance construction of the 14.6-kilometer (nine-mile) line. Mayor Murat Karayalcin said the railroad would be built in four years. (Reuters)

The first McDonald's hamburger restaurant in Africa or the Arab world opened in Casablanca on Friday. The 300-seat fast-food restaurant is at the eastern end of the Avenue de la Corniche, a few steps away from beaches and sunbathers. Most of its 12 managers were trained in France to impart a higher standard of service, according to Abderrahmane Belghiti, president of the food and leisure company SERL, which owns the franchise. The price of a Big Mac, fries, drink and dessert is about 50 dirhams (\$6.25), much cheaper than Europe though still pricier in a country where minimum daily wage is around 75 cents. (AP)

The project to save the Leaning Tower of Pisa was rescued Friday when the Italian Parliament approved new funding after months of delays. The restoration effort had run out of money in September and workers were forced to abandon temporarily their effort to keep the 800-year-old monument from collapsing. The 56-meter (187-foot) tower leans 5 meters off the perpendicular. (Reuters)

KOREA: Kim Young Sam Leads

(Continued from page 1)

Instead, all day Korean families could be seen lining up — many with young children — outside schools and neighborhood offices, grasping identity cards and the small stamps used in many Asian nations to seal important documents. Each was given a numbered paper ballot, stuffed into giant green metal bins at more than 15,000 locations across the country. At times the atmosphere seemed festive, with friends moving from the polling places to coffee houses and department stores. (AP, NYT)

California Court Gets Ex-Spouses Off Overtime

SAN FRANCISCO — The California Supreme Court has ruled that a divorced husband cannot be forced to work "continuous, substantial overtime" to pay alimony and child support.

The court ruled unanimously that such payments must be based on an "objectively reasonable work regimen." Support orders based on overtime are not barred, but the regular 40-hour week should be the standard, the justices held.

A support award on dissolution of marriage should generally not penalize a spouse "who voluntarily has undertaken an extraordinary rigorous work regimen during the marriage, by locking that spouse into an

excessively onerous work schedule," Justice Ronald M. George wrote for the court.

The court ordered a Los Angeles trial judge to recalculate the support obligations imposed on Richard O. Simpson, a theater and television stagehand who had worked up to 70 hours a week to help pay the expenses of his wife, Barbara J. Simpson, so she could obtain a teaching credential.

When the couple divorced in 1989, the husband went back to a 40-hour week, earning about \$26,000 annually compared with the \$60,000 or more he made annually for three years working overtime.

Mr. Simpson said he was suffering from stress working nights and weekends and wanted to spend more time with the couple's 10-year-old daughter. But Judge H. George

Taylor of Superior Court ruled that he had deliberately reduced his pay to avoid obligations.

Judge Taylor ruled that the husband should make support payments based on his earning capacity — not his current actual earnings. The judge fixed Mr. Simpson's capacity at \$60,000 a year and ordered him to begin paying \$1,650 a month in support, to be reduced later to \$1,050 a month. A state court of appeal upheld the order in a 2-to-1 decision.

The state Supreme Court held Thursday that the judge was entitled to consider Mr. Simpson's earning capacity but should have based the order on what he could earn working reasonable hours.

Joel Greenberg

INTERNATIONAL Herald Tribune

Save the Mideast Talks

The Arab-Israeli peace talks are imperiled by terrorist murders carried out in Israel by Islamic militants and by Israel's retaliatory expulsion of about 400 Palestinians on Thursday.

mass deportation of Palestinians, though understandable in the face of outrage in Israel, will inflame the confrontation. The United States has long opposed expulsions from occupied territories, and rightly so.

The Squeeze on Serbia

In the past week the West has gone part of the way toward increasing the military pressure on Serbia. Through the UN Security Council and NATO, Western countries will now consider enforcing a previously untested but unenforced ban on Serbian military flights over Bosnia.

trous — including the Serbian president, Slobodan Milosevic — have brought censure and hardship upon the Serbian people, who otherwise are longtime and deserving friends of the democratic West.

Vietnam's Last Chapter

In the remaining weeks of his term, President George Bush can finish the last chapter of the Vietnam War. More than 17 years after the end of formal hostilities, the groundwork has at last been laid for mutually profitable economic cooperation and normal diplomatic ties.

with top Vietnamese leaders. They report to the White House next week. If all goes well, the administration seems disposed to take further conciliatory steps.

Other Comment

The Stakes in Singapore

Prime Minister Goh Chok Tong has made Saturday's by-election in Singapore a test of voter confidence. When he took office in 1990, Mr. Goh remained under the political shadow of his renowned predecessor, Lee Kuan Yew, who stayed on as senior minister and continued to hold the party.

about Mr. Goh and the governing party. Singapore has begun to experience a measure of economic difficulty. Double-digit growth is a thing of the past. This may influence the vote.

Bosnia: Why the Stiffening of U.S. Resolve?

By Anthony Lewis

BOSTON — In the last days of his presidency, George Bush has altered his course on the tragedy in Bosnia. From a posture of seeming indifference, his administration has moved to strong condemnation of Serbian aggression. It is using open pressure to stop the killing.

Bosnia. There has been what one Clinton aide called "an escalation of seriousness." Incoming and outgoing administrations do not try to coordinate policies during the transition. As Mr. Clinton has repeatedly said, "We have only one president."

and Mr. Milosevic is opposed by a candidate who calls for peace, Milan Panic. Much of the strong new American rhetoric is evidently designed to make Serbian voters think of the consequences if they re-elect Mr. Milosevic.

Taiwan's New Generation Will Be Shaking Things Up

By Ralph N. Clough

BALTIMORE — The legislative elections in Taiwan on Saturday will be a turning point for the island, with important implications for China and the United States. For the first time, all members will be elected from Taiwan.

tion. Taipei sees the interaction as easing tension across the Strait of Formosa and promoting the peaceful evolution of China into a democratic, free-market system.

leading investor in Southeast Asia. The Democratic Progressive Party rejects the official policy of eventual unification with China and calls for establishment of a Republic of Taiwan completely separate from the mainland.

A Cynical Voyage by China's Appeasers

By A. M. Roenthal

NEW YORK — At the end, President George Bush had one fine political opportunity left. He could walk into history cleanly, with dignity.

cruse missile payloads much farther than the Chinese can now. Picky old Defense Department.

some congressional human rights supporters nervous. But they say he is simply guarding his words and inviting criticism to make a decent human rights offer while he has the chance.

On IBM, and the Economy's Big Blues

By Hobart Rowen

WASHINGTON — The timing could not have been worse. In Little Rock, Arkansas, Bill Clinton was leading a discussion on the need for greater research and development investment by high-tech industries.

world, "economies of scale are 'obsoleted' by more dynamic rivals," he said. Success today, he added, "depends on relentless investment by companies."

IBM stockholders now get the point. The Washington Post.

Let NATO Guarantee The Borders

By William Pfaff

BUDAPEST — I want to make an outrageous proposal. It is that NATO make a formal guarantee of existing frontiers in Eastern and Balkan Europe.

There are two reasons for this guarantee. The first is to stop the Yugoslav war from spreading. The guarantee would have to apply to the Greek-Macedonian, Bulgarian-Macedonian, and Albanian-Kosovo frontiers.

The principal cause of ethnic or national tension throughout the region is the fear of the majority that the minority's demands for group rights and special status implies eventual secession.

NATO is the undisputed power in Europe. The East Europeans have mostly wanted to join it exactly because of the national vulnerabilities they feel and the security NATO could provide.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Tailors in a Snit

LONDON — A demonstration of tailors was held in Trafalgar Square yesterday [Dec. 18] when a resolution was passed calling upon the County Council and other public bodies to undertake the manufacture, at union wages, of the clothing provided for the employees, and disburse with middlemen and contractors. One speaker, not content with denouncing middlemen, said he would not be satisfied till there was no further use for the services of soldiers, police spies and pimps.

1917: Christmas Bags

PARIS — The American Red Cross, through the Women's War Relief Corps, is arranging to give to every American soldier in France a Christmas bag. The bags will contain two packages of cigarettes, a tin of good-grade smoking tobacco, three packages of cigars and pipe tobacco, and also, shoe strings, tooth brush, tooth paste, soap, wash

1942: The War Machine

WASHINGTON — [From our New York edition:] The War Department reached into high schools today [Dec. 18] to begin the training of thousands of specialists needed in modern mechanized warfare. It sent to the principals of 50,000 private and parochial schools outlines of five courses to be offered to students. Each course calls for study of technical subjects and will give students basic knowledge of electricity, radio, machines or automobile mechanics. "Our rapidly growing Army is a complex machine," wrote the Secretary of War. "All of its parts, material and human, must be perfectly co-ordinated toward the achievement of victory over our enemy. Co-ordination means knowledge and skill on the part of every soldier in the use of mechanisms."



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U.S. Will Step Up Its Efforts To Disarm Somali Gunmen

By Eric Schmitt
New York Times Service
MOGADISHU, Somalia — The senior commander of the U.S.-led relief operation in Somalia said Friday that U.S. forces would be more aggressive in disarming Somali gunmen who refuse political overtures or financial incentives to give up their weapons.

"We're underpinning what's essentially a political process," General Hoar said at a news conference at the U.S. Embassy in Mogadishu. "But the time will come when we'll be more vigorous in the pursuit of weapons."

Japan Will Contribute To UN Somalia Effort

By T. R. Reid
Washington Post Service
TOKYO — Japan will contribute \$100 million to the United Nations trust fund paying for the multinational relief effort in Somalia, the government announced Friday.



A RETURN TO PRAYER — Muslims praying outside the Jama Masjid, India's largest mosque, in New Delhi on Friday for the first time since Hindus tore down a mosque in Ayodhya on Dec. 6.

START: Moscow Insists Accord Is Ready for Signing

(Continued from page 1)
There were reports on Friday that after a Marine convoy dropped off food in a village, 15 percent of the supplies were looted by gunmen.

Ruling Party on a Limb In Singapore Election

By Michael Richardson
International Herald Tribune
SINGAPORE — A segment of Singapore's growing middle class, which has shown in recent years that it favors a stronger opposition voice in Parliament, will vote in a by-election on Saturday that the government says is important for the country's future prosperity.

VISIT: A New China-Russia Stage

(Continued from page 1)
forms pressed by the senior leader, Deng Xiaoping.
"I had considered the Chinese people to be extremely regimented under the Communist Party yoke, who march to work singing songs and march home without singing songs," he said.

With Soviet Demise, Japan Lowers Military Budget Ceiling

TOKYO — Japan lowered the budget ceiling of its five-year defense program on Friday.
The limit of 22.75 trillion yen (\$184 billion) for the 1991-1996 program will be cut by \$80 billion yen, the chief government spokesman, Yoshi Kono, said Friday after a two-day meeting of the National Security Council.

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In Art Market, Currency Dips Also Pay

LONDON — A weaker pound is working right now at certain levels of the art market. For those handling works with an international appeal, it has had a dramatic impact.

Take Johnny Van Haeften, London's leading dealer in Dutch and Flemish masters who went into business in 1977 and opened his

SOUREN MELIKIAN

gallery at 13 Duke Street, just up from Christie's, in 1982. He has just had his best three weeks since the market peaked in the spring of 1990. Of the 36 paintings in the kind of selling show which he puts together with a special catalogue at wide intervals, 11 have been sold since Dec. 1. They add up to about £2 million (about \$3 million). In addition, several more are already reserved.

For a gallery exhibition this is remarkable. Unlike auctions, selling shows do not put the interested art lover under pressure to make an instant decision. Transactions are spread over a period of time which can run to six months, or longer. Method helps. The catalogues, superbly illustrated in color, have entries preferably written by internationally acknowledged experts on any given artist. More importantly, Van Haeften tries to create surprise with pictures unseen for decades, or better, unrecorded. This year's sensation is "An Allegory of the Art of Painting" by Jan Brueghel the Younger (1601-1678) that will long be written about. A young woman is seated at an easel, painting a still life of flowers in a palatial room.

The walls are covered with paintings from top to bottom. More paintings are propped against pieces of furniture and the painter's utensils. Various models, drawings, books, are strewn about. It has every appearance of depicting some real place as well as an allegory. Could this be some palatial studio set up, perhaps temporarily, by the artist?

The thought is a tempting one. It finds some support in another discovery made by Van Haeften. Before acquiring the "Allegory," he bought at auction, in Vienna, the actual still life which is in the process of being painted in the "Alle-



"An Allegory of Painting," oil on copper, by Jan Brueghel the Younger.

gory." The still life has since been sold to a Florida collector. There are minute variations in the flowers. But the glazed stoneware on which they spring is repeated in both pictures.

Closer inspection of the "Allegory" reveals that surviving paintings, some of them famous, can be seen on the walls. Some are by members of the Brueghel family. The "Peasants' Brawl," done by the artist's uncle, Pieter Brueghel the Younger, hangs to the left of the arched window. "Diana and the Nymphs," by his father Jan Brueghel the Elder, is propped against another picture, on the floor, in the foreground. So is, to the right, the portrait of Charles the Bold by Rubens, preserved in the Kunsthistorisches Museum in Vienna.

Topping it all, the "Banquet of Aecholos of which Rubens did the figures and Jan Brueghel, the elder, the setting, appears behind the portrait.

The "Allegory," in short, is a ma-

document, something like a snapshot of a famous 17th-century painter's studio. It was apparently taken to France by Russian émigrés after the 1917 Revolution, and later to Britain but never published until the show catalogue was printed. The composition owes the freshness of its colors to its support, a large copper panel, 47 by 75 centimeters (18½ by 29½ inches). When a Dutch connoisseur saw it at the private viewing, he bought it there and then.

THERE were other discoveries which triggered instant responses. Bartholomeus van der Helst who spent most of his life in Amsterdam is best known for his portraits of Dutch burghers in stern attire. As his fame spread, he indulged in his later years, in a moral flamboyant manner. Van Haeften found one of these "Portrait of a Gentleman and His Horse," dated 1665.

The unidentified sinner has the self-assured posture of a man who knows he is part of the establishment. His horse is in the background, and above all, the spaniel and greyhound whose heads appear in the bottom corner right, show him as a hunter, a privilege reserved for the old small nobility and a new urban upper class. Virtually forgotten for most of the century until it surfaced in a Monte Carlo sale some years ago, the portrait made a deep impression on a New York collector of Old Masters when it was shown to him by Van Haeften last summer. The asking price was then about £200,000. Make allowance for the quasi-rival 10 percent rebate to old clients, and that brought it down to £180,000. Subtract the intervening 15-20 percent depreciation of the pound versus the dollar, and, then, the proposition became irresistible.

The New Yorker, who had not batted an eyelash in June when Van Haeften casually read out the price

from a list, bought it just before the opening.

Other paintings in the selling show have similar stories attached to them. That is the case, among other things, with a rare still life by William van Aelst probably painted between 1664, when he executed a gamepiece in the Nationalmuseum, Stockholm, and 1668, the date inscribed in a third gamepiece in the Kunsthalle at Karlsruhe. All have the same items, the hunting bag, the dead birds, the horn with silver mounts arranged differently. The almost surreal precision with which every color and reflection on varying materials, is handled is emphasized by the superb condition of the paint surface. It was sold on the first night.

Is it possible to assess the influence that a weaker pound had on these deals? Van Haeften would not question that for a second. The others hold strong currencies, or dollars, which have appreciated so spectacularly against the pound.

The haste displayed by some in acquiring coveted works may be due in equal share to the desire of owning the art and to their anxiety to take advantage of favorable exchange rates. Days before the opening, a Minneapolis collector bought the Esaias van de Velde landscape which he knew was going into the show. Rightly so. The dollar has lost some ground to the pound since then, if marginally. A German buyer from Munich likewise hurried to get a 1646 landscape by Jan van Goyen. True, this one shows in detail a magnificent medieval monument, Rondeel Engelburg at the entrance of the Nieuwe Haven in Dordrecht. Only a few ruins now remain.

Awareness that a price around £100,000 is not exaggerated for a document of primary importance to architectural history was enough to supply the stimulus, even if the Deutsche mark has indeed slipped since then.

Since I interviewed Van Haeften on Wednesday, he sold a Cornelis Vroom wooded landscape to a German collector and a Palamedes Palamedes battle scene to a U. S. collector. In partnership with Roman Herzog of Vienna he also disposed of an outdoor scene by Hendrick Avercamp. Van Haeften's policy is to sell quickly at a small profit rather than to wait for months over a clever buy and extract the maximum out of a client. At Christie's last week he bought another Vroom on the cheap, for a mere £17,600 and agreed to resell it instantly to an American who approached him for only £20,000. Constantly on the move and a born optimist, Van Haeften is one of those men whom gloom never seems to touch. Sales continue, unabated.

Sotheby's Success

In New York, the sale of the Northern Schimmel collection of antiquities from the ancient Near East and the classical world that was held at Sotheby's on Dec. 16 was an unprecedented success. The total sold, \$4.2 million, exceeded the most optimistic expectations. Sotheby's expert Richard Keresey points out that of the 129 lots offered, 80 sold above the resale high estimate. Only seven found no buyers.

The great winner was Egyptian sculpture. A 12th Dynasty wooden figure carved in the late 20th or early 19th century B. C. soared to \$475,000. This was exceeded only by a blue falcon head of a man in a low relief which must have been inlaid in some mural scene or on some piece of furniture. The 14-centimeter profile misses the top part probably made in some other material. At \$484,000, the head, arguably the most beautiful of its kind ever to appear on the open market, also set a world record for a fragment for any culture.

The extraordinary success was greatly helped by worldwide exposure through exhibitions in many museums. Boston 1984, Cleveland 1974, Dallas 1975, New York 1975-1976, Jerusalem 1977, Berlin 1978 (the entire collection) Hamburg and Munich in the same year. Accompanying art books transformed its objects into icons in their respective fields.



"Apocalyptic Landscape," by Ludwig Meidner, painted in 1913.

In the Shadow of History German Expressionism Blooms in Paris

By Michael Gibson
International Herald Tribune

PARIS — The German Expressionists have, for many decades, been obscured by the shadow of tremendous historical events. They were reviled when they appeared in an archconservative imperial Germany as an "art of the putter." With the coming of World War I, the French, who should have known better, chose to ignore them because they were German; and they were largely neglected later because, although cultural exchanges between the two countries were restored in 1925, the Nazis, who came to power shortly thereafter, were not inclined to export the sort of art that they themselves condemned as "degenerate."

The 400-item exhibition devoted to German Expressionism (1905-1914) at the Musée d'Art Moderne de la Ville de Paris (until March 14) is the first one of this scale organized exclusively around German Expressionism in France, and the first to provide a coherent overview of some key pieces of the larger art-historical jigsaw puzzle that the Paris-centered view, dominant during the first half of this century, has tended to sweep under the carpet. Dresden (with die Brücke founded in 1905), Munich (with the Neue Künstlervereinigung München in 1909 and the Blaue Reiter in 1911) and Berlin (with the Neue Secession in 1910 and Herwarth Walden's Der Sturm Gallery in 1912) were the three centers in which this rebellious art form bloomed, but it was actually illustrated by a relatively small number of artists, 14 of whom are represented in this very fine exhibition. (The show was recently awarded the Prix Polémiaque for the best Parisian exhibition of the year.)

It is not easy to imagine today just how conservative the German context was at the time, and how very feudal the country's administration remained in practice, even as its powerful industry went on expanding.

The Kaiser's policies, enforced by censorship and repression, seem to have had a tremendous hold on public opinion — and many of his anti-modern, anti-foreign views touching upon art were revived by the Nazis when they denounced "degenerate art" and "cultural Bolshevism."

Berlin attracted the Expressionists as a place in which to show their work, but Dresden and Munich were the main creative centers. Die Brücke was founded by four students in their early 20s while the Munich movements included such older artists as Wassily Kandinsky and Alexei von Jawlensky, both in their 40s.

The Dresden artists — Ernst Ludwig Kirchner, Erich Heckel, Karl Schmidt-Rottluff among them —

were chiefly concerned with the direct, sensual experience of the world that they generally rendered in simplified forms and intense colors. Kirchner had been bowled over by the "primitive" sculptures he had occasion to see in the Ethnographic Museum and sought to emulate what must have appeared to him as a tremendous formal freedom.

The group in Munich included the towering personality of Kandinsky, who appears to have troubled his younger colleagues by making his transition to abstraction precisely at this time. The exhibition includes a magnificent illustration of his evolution in this direction, culminating in the highly animated and varicolored "Fugue" of 1914.

It may be that Kandinsky's resignation from the Munich Neue Künstlervereinigung and his creation of the Blaue Reiter with Franz Marc was brought on by this new and unexpected orientation. Both he and Marc sought to express a form of transcendence in their work, and this was something the others, more interested in direct experience, could not fathom.

Marc, who died at the front in 1916 at the age of 36, favored the representation of animals, which he approached with poignant empathy and a wonderful formal originality.

ONE of the revelations of this exhibition is the singular figure of Marianne von Werefkin (1860-1938), who began painting in Russia in the realistic vein that was then in fashion and whose youthful craft was so admired that she was referred to as "the Russian Rubens." At the age of 36 she moved to Munich with von Jawlensky and gave up painting for 10 years so as to devote all her energies to promoting him. In 1906 she took up painting again — but in an entirely new vein, vigorously expressionistic in color, but symbolistic in content.

The exhibition has assembled a dozen of her paintings which have something of the evocative strangeness of Alfred Kubin's drawings, but without their terrible anguish. She died in Asoona and, proof of her exceptional spiritual influence, her funeral service was conducted simultaneously by a Russian Orthodox pope, a Catholic priest and a Protestant minister.

The work of Ludwig Meidner (1884-1966) is another revelation. Meidner is the only figure of this exhibition to have been active mainly in Berlin. Most of his paintings depict the destruction of cities and lives brought on by modern warfare. What is unusual about them, besides their peculiar nervous energy, is the fact that all but one of the 12 works dealing with such subjects were painted between 1911 and 1914 — before the war actually broke out.

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Space Hop? Dreams Are Good for You

By Hank Burchard
Washington Post Service

WASHINGTON — Blame it on Albert Einstein. In the very act of freeing us from the straitjacket of Newtonian physics, he slammed the door on our planetary prison. It's a life sentence that the gentle genius imposed on us, with no parole.

That's the more-or-less hidden message in a glittery exhibition on space exploration at the National Air and Space Museum. The message is muted because the bottom line is that we're unlikely ever to land a person on a "nearby" planet, much less establish an off-world colony, and never will send "astronauts" to even the nearest star. Which is not what the show's aerospace industry sponsors want to hear, they being in the get-rich hardware biz.

In the Einsteinian relativistic universe, space is time and time is space. Space travel is time travel and time travel for humans is impossible on any meaningful scale, because we live such short little lives. It all has to do with the speed of light, which nothing but light can reach, and the amount of energy it would take to move anything as heavy as a space ship at anything like the speed required for star-hopping.

But space travel is such stuff as dreams are made on, and dreaming is the specialty of our species. While finessing the ultimate problem, the exhibit gives fairly full consideration to the lesser ones facing space voyagers, which include constant bombardment by radiation and intermittent bombardment by space junk and micrometeorites.

Once clear of the cocoon of Earth's atmosphere, astronauts are bathed in constant, chromosome-cooking, radiation and risk being fried by random solar flares; effective shielding is heavy, clumsy and costly. At high velocity in the near-vacuum of space, a speck of dust or a flock of paint can have the impact of a bullet; armor that resists anything bigger than buckshot is essentially impossible, given vehicle-weight constraints.

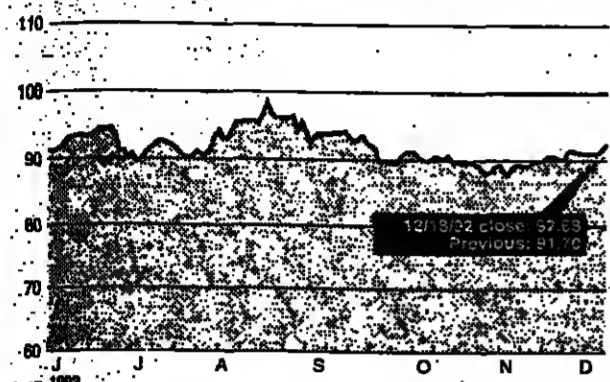
LESS dramatic but just as real are the health hazards associated with weightlessness. Our bodies evolved in constant struggle against gravity; under weightless conditions, our circulatory and maintenance systems go slack and our bodies go to hell. Exercise helps slow the deterioration, but probably not enough to sustain men and women during a years-long mission to Mars, least hostile of the theoretically reachable planets.

And then there are the problems of mental health associated with space travel, which features long periods of tedium interspersed with moments of terror. Robots offer great savings in weight, sanitation and sanity, since they consume only energy, excrete only heat and never get bored. The exhibit has examples of the machines that technicians have developed for exploring alien worlds.

Unfortunately, robots are stupid. Unable to think on their wheels, they can deal only with foreseen situations. Flexible, creative responses to unprecedented problems is a human (or perhaps we should say a primate) trait.

THE TRIB INDEX: 92.68

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Table with 3 columns: Asia/Pacific, Europe, N. America. It lists approximate weightings and closing values for each region.

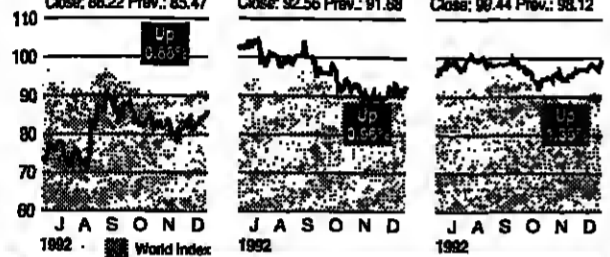


Table titled 'Industrial Sectors' showing percentage changes for various sectors like Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, and Consumer Goods.

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

U.S. Playing Hardball on BA Deal

By Richard M. Weintraub Washington Post Service WASHINGTON — The United States is prepared to block a \$750 million investment by British Airways in USAir Group Inc. unless Britain agrees to give U.S. carriers wider access to its airspace, according to U.S. government officials.

If the USAir-British Air deal goes through, USAir not only gets \$750 million to help whittle down its \$2 billion debt, but also becomes part of a worldwide airline alliance. Like almost all U.S. airlines, USAir has been unprofitable and open-skies agreement that we can't otherwise," one U.S. official said.

But USAir, in comments to the Department of Transportation, said: "American, Delta and United believe that a three-carrier monopoly is not to be feared. USAir believes otherwise and is doing everything within its power to remain a viable competitor."

President Bush is reportedly prepared to block the \$750 million investment in USAir unless Britain agrees to give U.S. carriers wider access to its airspace.

The airlines issue will be on the agenda as Prime Minister John Major meets President George Bush this weekend at Camp David. The USAir-BA deal "isn't going to happen in the absence of a forthcoming British position," said one U.S. official, who added that Mr. Bush, his national security adviser Brent Scowcroft and other officials agreed that U.S. airlines should be allowed more flights in and out of Britain.

is facing its fourth straight year of losses in 1992. If the deal does not go through, "we will be a survivor, but we want to be a competitor," said Patricia A. Goldman, a senior vice president at the airline. The secretary of transportation, Andrew H. Card Jr., has said he will decide on the proposed British Air-USAir alliance by Christmas Eve. That issue is not formally tied to the U.S. airline industry's demands for more landing rights in Britain, but the unofficial linkage is clear.

high-tech industry remains one of the most backward when it comes to the relationship between business and government. Manufacturing companies and farming enterprises around the world are subject to broad international trade agreements and occasional governmental actions to punish rule-breakers. But when it comes to airlines, every route between countries, every fare on an international flight, every takeoff and landing is subject to negotiations between governments.

And once governments get involved in a multimillion-dollar issue, political pressures cannot be very far behind. In newspaper ads and through high-powered law firms and lobbyists, the Big Three of this country's air carriers — American Airlines, Delta Air Lines and United Airlines — have attacked the proposed USAir-BA alliance.

Lamont Is Bearish on European Monetary Union

By Erik Ipsen International Herald Tribune LONDON — Europe is unlikely to meet requirements for monetary union by the target date of 1997, the British chancellor of the Exchequer, Norman Lamont, said Friday.

hought "enormous benefits" to Europe, and insisted talk of its demise was premature. As for the franc, the chancellor said it had been unfairly put upon by currency speculators, who have driven its value down against the Deutsche mark in recent weeks.

the chancellor said that none of the nations of the European Community met all the convergence criteria at this time. He pointed to the large public-sector deficits in Germany and Italy, and the huge levels of government debt in the Benelux countries.

tion of the pound by nearly 15 percent, the chancellor said that while he had not sought such a devaluation, it had nevertheless "given us a competitive advantage" in trade. With things going so well for Britain outside the exchange-rate mechanism, in marked contrast to some of its European partners who remain within the system, Mr. Lamont was hesitant to predict a quick remedy for the pound.

I believe it is rather difficult to see it happening in 1997.

At the same time, Mr. Lamont was cautiously upbeat about the British economy, predicting that 1993 would mark the end of its longest recession since World War II. He also sprang to the defense of the embattled European Monetary System's exchange-rate mechanism and of the French franc. Mr. Lamont praised the mechanism for having

rewards of leaving the exchange-rate mechanism, namely a devaluation of the pound by nearly 15 percent, the chancellor said that while he had not sought such a devaluation, it had nevertheless "given us a competitive advantage" in trade.

As he has before, the chancellor outlined a list of conditions that would have to be met before sterling could join. Among them is the need to close the gap between British and German economic policies, which finds London trying to restart its economy while Bonn labors to reinflation.

Germany economy, and the market ought to reward it accordingly. As for Britain's forced exit from the exchange-rate mechanism in September, Mr. Lamont termed it a "setback." But he noted his efforts to rebuild Britain's anti-inflationary policy around monetary and economic indicators had been successfully completed.

ECONOMIC SCENE

Keeping His Own Counsel? Clinton and His Advisers

By Peter Passell New York Times Service NEW YORK — Jaws dropped on word of the appointment last week of Laura D'Andrea Tyson to head Bill Clinton's Council of Economic Advisers. To win this most coveted job in the economics profession, Ms. Tyson had to beat out a half-dozen high-profile heavyweights, some of whom had been tirelessly lobbying Mr. Clinton's transition team.

And until a few months ago, Ms. Tyson was known simply as a competent scholar who had thrown in her lot with the trendy minority of economists and political scientists intent on waging techno-warfare with Europe and Japan.

Her surprised colleagues concede that the 45-year-old University of California professor made her own luck — that in her encounters with Mr. Clinton she was exceptionally persuasive and well organized. On reflection, that should not have been surprising: Ms. Tyson is a successful teacher as well as a polemicist with a flair for winning arguments without making enemies.

But they still insist the dark-horse appointment marks a radical departure, one suggesting Mr. Clinton already has well-formed views on economic policy. "This is proof that the president will be his own chief economic adviser," said Robert Z. Lawrence of Harvard's Kennedy School of Government.

Ms. Tyson is certainly a card-carrying member of the economics establishment. She earned a doctorate from the Massachusetts Institute of Technology, arguably the most selective U.S. graduate school in economics. Under Martin Weitzman, a distinguished theoretician of planned economies, she wrote a doctoral thesis on Yugoslav-style socialism. She bagged a first job in Princeton's elite economics department. When she left Princeton to move west with her family, she managed an appointment to the almost-as-prestigious Berkeley faculty.

Ms. Tyson's scholarship has not set the academy afire. But, then, much of it concerned East European economies before the fall of Communism — a subject that generated little interest in the West. What, then, is the beef with the appointment of Ms. Tyson? One objection is that she acted out some of the most innovative and

Dow Gains Sharply As Volume Soars

Compiled by Our Staff From Dispatches NEW YORK — Prices on the New York Stock Exchange, catapulted by the "triple-witching" options and futures expirations and by institutional buying, soared in the sixth-most-active trading day in history. Some market indexes set records.

investors also were heavy buyers, putting money to work before the end of the year. Alfred Goldman, technical research director at A.G. Edwards & Sons, said, "Yes, the market was distorted on the upside by the expirations, but the upside momentum is very strong. This despite IBM."

"There's generally a better feeling about where the economy is going," said Richard Meyer, the head of institutional trading at Ladenburg, Thalmann & Co. "The Dow came off five days in a row, and despite the weakness in IBM, it showed no desire to follow through," said William Rafferty, a technical analyst at Smith Barney.

The Dow Jones industrial average leaped 44.04, to end at 3,313.27, closing out the week with a gain of 9.19 points. The Standard & Poor's 500 index soared 5.85, to a record 441.28, exceeding the previous high of 436.99 set on Dec. 8. The New York Stock Exchange index rose 2.96, to an all-time high of 247.08, surpassing the previous 240.24 record, also set Dec. 8.

Advancing issues surpassed decliners by a 3-to-2 ratio. Volume was 371.03 million shares, the highest since 416.4 million shares were traded on Oct. 16, 1989, the Monday after the collapse of the UAL Corp. buyout. The previous high in 1992 was on Jan. 16, when 336.42 million shares changed hands.

Traders and analysts said the expiration of December stock index futures and options and individual equity options contributed both to the market's gains and volume. "The triple expirations added a lot to this," said Paul Hennessey, vice president of trading at the Boston Co. But he said institutional

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CURRENCY & INTEREST RATES

Table with multiple columns showing cross rates, eurocurrency deposits, and key money rates for various currencies and financial instruments.

CURRENCY & INTEREST RATES

Table with multiple columns showing eurocurrency deposits, key money rates, and gold prices for various currencies and financial instruments.

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Form for entering lottery numbers, including fields for name, address, phone number, and selection of game options and prizes.

MARKET DIARY

Prognosis for Mark Gives Dollar a Boost

Compiled by Our Staff From Dispatches
NEW YORK — The dollar rose Friday as investors looked for a speedup of economic growth in the United States, traders said.

to sell marks to defend the currencies under attack, the dollar will also benefit, they said.

Foreign Exchange

Investors have already banked down for the holidays, traders said. Some large corporations bought dollars on the bet that the currency would jump quickly above 1.57 Deutsche marks in January, said Frank Pusteri, vice president at the Bank of Boston.

The franc firm in European trading Friday, with the mark falling to 3.4146 francs from 3.4184 late Thursday. Traders said the bank of France took advantage of the light trading to intervene on behalf of the currency.

That bet is based on the belief that the U.S. economic recovery is taking root, while Germany is covering a recession, traders said. As U.S. interest rates creep higher, and German rates decline, the dollar will rise against the mark, they said.

The dollar is seen between a rock and a hard place, said Curtis Perkins, corporate trader at Citicorp Bank. A devaluation of the franc would hurt the government politically, but the high interest rates needed to defend the franc would stifle economic growth.

The dollar closed at 1.5660 DM on Friday, up from 1.5576 DM on Thursday. The U.S. currency rose to 3.4200 francs from 3.4180 francs on Thursday, and to 123.080 yen from 122.835.

The dollar is seen between a rock and a hard place, said Curtis Perkins, corporate trader at Citicorp Bank. A devaluation of the franc would hurt the government politically, but the high interest rates needed to defend the franc would stifle economic growth.

The favorable prospects for the dollar were highlighted Thursday when the U.S. government said the trade deficit narrowed 18 percent to \$7.03 billion, in October.

Against the yen, the dollar was hurt by speculation that President-elect Bill Clinton might seek to weaken the U.S. currency to curb Japanese trade surpluses, traders said.

STOCKS: Dow and Volume Soar

(Continued from first finance page)
structuring charge in the fourth quarter and the possibility of a dividend cut.

members loyal to the ailing chairman, Steve Ross.

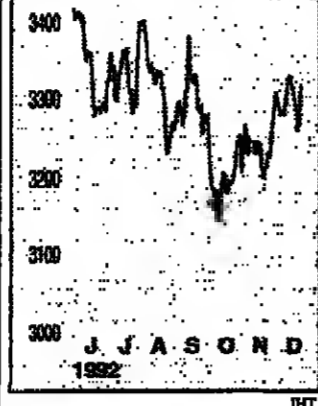
N.Y. Stocks

retirement benefits and income taxes would have "no impact on our cash flow, which continues to grow rapidly."

Norwalk International rose 1/2% to 2 1/4% after the company reached an agreement with the United Auto Workers union on health care and reduced its dividend.

The Dow

Daily closings of the Dow Jones Industrial average



NYSE Most Actives

Table listing top NYSE most active stocks including General Electric, IBM, and McDonald's.

AMEX Most Actives

Table listing top AMEX most active stocks including American Express and IBM.

MASDAQ Diary

Table listing top NASDAQ stocks including Intel and Microsoft.

Dow Jones Averages

Table showing Dow Jones Industrial, Dow Jones Industrials, and Dow Jones 300.

Standard & Poor's Indexes

Table showing Standard & Poor's 500, Industrial, and Utility indexes.

NYSE Indexes

Table showing NYSE Composite, Industrial, and Utility indexes.

MASDAQ Indexes

Table showing NASDAQ Composite, Industrial, and Utility indexes.

AMEX Stock Index

Table showing AMEX Industrial and Utility indexes.

Dow Jones Bond Averages

Table showing Dow Jones Industrial, Treasury, and Corporate bond averages.

Market Sales

Table listing market sales for NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table showing NYSE odd-lot trading volume for various sectors.

NYSE Diary

Table listing NYSE diary events including earnings and analyst reports.

AMEX Diary

Table listing AMEX diary events including earnings and analyst reports.

MASDAQ Diary

Table listing NASDAQ diary events including earnings and analyst reports.

EUROPEAN FUTURES

Table showing European futures for Food, Industrial, and Metals.

Food

Table showing food futures including wheat, soybeans, and corn.

Industrial

Table showing industrial futures including oil, copper, and aluminum.

Metals

Table showing metal futures including silver, gold, and platinum.

Grains

Table showing grain futures including wheat and soybeans.

Livestock

Table showing livestock futures including cattle and hogs.

Financial

Table showing financial futures including interest rates and currencies.

U.S. FUTURES

Table showing U.S. futures for various commodities.

U.S. / AT THE CLOSE

Lynch Returns to Fidelity, Part-Time

NEW YORK (Bloomberg) — Peter Lynch, who oversaw the growth of the Fidelity Magellan fund from \$20 million to more than \$13 billion during the 1980s, will be returning to his old firm on a part-time basis, Fidelity said Friday.

Nike's Earnings and Orders Rise

BEAVERTON, Oregon (Bloomberg) — Nike Inc., the world's leading athletic-shoe maker, said Friday that second-quarter earnings had risen 23 percent with every division posting gains.

Netherlands and U.S. Sign Tax Treaty

THE HAGUE (Bloomberg) — The United States and the Netherlands signed a new tax agreement Friday that the Dutch state secretary for finance, Marius van Amelsfoort, said was not as favorable as the old treaty.

FCC to Fine Howard Stern Employer

WASHINGTON (AP) — The Federal Communications Commission voted Friday to levy a record \$600,000 fine against the company that employs Howard Stern, the notorious radio host who has tested the limits of the First Amendment.

For the Record

Sears, Roebuck & Co. has fired John Lundegard, the chairman and chief executive of its Western Auto Supply Co. since 1980.

Nedlloyd Pushes Hagen Out

ROTTERDAM — The Dutch shipper Nedlloyd Groep NV said Friday that the Norwegian investor Tostein Hagen, who bought his way onto the supervisory board in October, had been asked to resign.

WORLD STOCK MARKETS

Large table showing world stock markets with columns for country, stock index, and price change.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time.
This list compiled by the AP, consists of the 1,000
most traded securities in terms of dollar value. It is
updated twice a year.

Table with columns: High, Low, Stock, Div, Yld, PE, High, Low, Last, Open. Lists various NASDAQ securities and their prices.

Table with columns: High, Low, Stock, Div, Yld, PE, High, Low, Last, Open. Lists various international securities and their prices.

Russia Gives Loans To Energy Sector

By Steven Erlanger
New York Times Service
MOSCOW — Russia's new prime minister, Viktor S. Chernomyrdin, began making good on his promises to help industry Friday in just the manner Western economists feared, proposing to a compliant parliament 200 billion rubles (\$480.8 million) in immediate credits to the energy sector he used to run.
Before flying to Kazakhstan for talks to promote cooperation with Russia, especially in energy, Mr. Chernomyrdin added an amendment to the 1992 budget law calling for the new credits this year. The Supreme Soviet, which had approved the budget in principle earlier this week, passed it Friday with the new funding, pushing the deficit to 1.17 trillion rubles for the year.
Finance Minister Vasili Barabuk had argued the higher deficit would boost inflation and could damage Russia's ability to pay for imports.
According to the latest government figures, the budget deficit dropped in the third quarter of 1992 to 7 percent of the gross national product, compared with 11 percent in the second quarter. In October and November, the government of former Prime Minister Yegor T. Gaidar — who was abandoned this week under parliamentary pressure by President Boris N. Yeltsin — operated with no deficit at all.
The International Monetary Fund got the government to agree to hold the budget deficit to no more than 5 percent of gross national product for the year, but that goal disappeared some time ago.
Western economists and diplomats fear Mr. Chernomyrdin will increase deficit spending and push inflation sharply higher from its present rate of 25 percent a month.
[Meanwhile, Russia's chief debt negotiator said Friday that Moscow could accept a rescheduling offer from foreign government creditors only if commercial banks also made concessions on Russia's debt servicing in 1993, Reuters reported.
[Officials said Wednesday that a deal proposed by the Group of Seven would reschedule \$15 billion of debt falling due in 1993. In return, Moscow would pay the Paris Club of government creditors \$2.75 billion to service its debt in 1993.
[The offer would leave Russia to pay more than \$3 billion once commercial bank obligations were included. But Foreign Economic Relations Minister Pyotr O. Aven said Russia could not afford to pay more than \$3 billion in all of next year.]

BaE Stock Rises Sharply, Further Gains Predicted

Compiled by Our Staff From Dispatches
LONDON — British Aerospace PLC's share price, which rose sharply Friday after a British broker named the stock his "share for 1993," could rise to as high as 300 pence (\$4.75), or more than 80 percent above current levels, analysts said.
Brian Newman, an analyst with Henderson Crosswhite Ltd., who picked BaE as his favorite stock for 1993, predicted that the shares would trade at least as high as 250 pence by December of 1993.
"The stock price will rise from a combination of factors," Mr. Newman said, including a strong management team, the restructuring of the company's regional aircraft division, a defense contract with Saudi Arabia and a recovery at the Rover car division.
The price of a BaE share rose to 166 pence Friday from 151 pence on the London Stock Exchange. News of a cut of 600 jobs in Northwest England by BaE did not affect the stock, analysts said.
"The whole thing is running on the back of anticipated success of BaE's deal with Taiwan," one analyst said. "BaE is one of the companies that have been picked up as the stock of the year for next year." BaE is concluding a \$500 million regional-aircraft joint venture with Taiwan Aerospace Corp. (Bloomberg, Reuters)

COLONY: Diatribe Against Jardine Saps Confidence Britain Blocks New TV Station

(Continued from page 1)
deep resentment that the memory of the trade arouses in China to this day.
Chinese attempts to halt the flood of drugs provoked two opium wars with Britain. After losing both wars, Imperial China was forced to cede Hong Kong Island and Kowloon under treaties signed in 1842 and 1860.
Being still regards these treaties, and a third signed in 1898 when Britain leased the New Territories for 99 years, as national humiliations.
"After what they did to China you can see they haven't changed their spots at all," Xinhua said of Jardine. "It's clear who they are still loyal to."
Jardine has already been a target of Beijing's wrath because of a series of moves, including its change of domicile, apparently indicating it has little confidence in Hong Kong's administration after the 1997 return to China.
Earlier this month a Hong Kong newspaper quoted a London-based Jardine director, Sir Charles Powell, as praising Mr. Patten.
Xinhua added of the conglomerate: "In the course of Governor Chris Patten's promotion of his constitutional reforms, it has fur-

Investor's Europe

Table showing stock indices for Frankfurt DAX, London FTSE 100, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affarsveeriden, Vienna Stock Index, Zurich SBS. Includes columns for Friday Close, Prev. Close, and % Change.

Very briefly:

- Daimler-Benz AG said it would not cut its dividend although net profit for the second half would be less than half the 1.02 billion Deutsche marks (\$655 million) reported for the first half.
Merek AG said it was in talks to buy Protabo SA, a laboratory equipment firm belonging to Rhone-Poulenc SA of France.
Carl Schenck AG, the German engineering and electrical company, plans a joint venture with Komet GmbH to produce vehicle components.
The EC Commission will fine two German ice-cream makers for trying to keep Mars Inc. of the United States out of the market, counter to EC rules on fair competition.
The EC Commission, dismayed by the failure of talks with South Korea and Japan to reduce state aid to shipbuilders, is not expected to demand cuts in aid to EC yards in 1993.
The EC annual inflation rate fell to 3.8 percent in November from 4.0 percent in October, the lowest rate since August 1988 (3.7 percent).
Tesco PLC, a British food retailer, has conditionally agreed to buy about 85 percent of Etablissements Cateaux SA of France for 1.261 billion French francs (\$235 million).
Asea AB of Switzerland said its ABB Robotics unit has agreed to buy the robot arc-welding wing of ESAB AB of Sweden.
Kirk Kerkorian has counter-sued the French banking giant Credit Lyonnais for \$675 million, alleging that the bank engaged in a "shell game" to facilitate Giancarlo Parretti's ill-fated 1990 purchase of the MGM-UA studio.
The Danish parliament has adopted a 1993 national budget that is intended to stimulate employment, reduce deficit spending and maintain Denmark's foreign-trade surplus.
Austria's two top forecasting institutes sharply revised down their projections for economic growth next year in their quarterly reports, blaming the spillover effects of the stalling German economy.
Reuters, Bloomberg, LAT

ADVISERS: Will Clinton Keep His Own Counsel?

(Continued from first finance page)
seasoned policy economists around — most notably, Lawrence H. Summers, the chief economist for the World Bank.
Another is that she is closely identified with Silicon Valley, the high-technology producers who will be lobbying hard for subsidies and for government-negotiated shares of world markets.
"You've never had a situation where the Council of Economic Advisers was captured by an interest group," said Gary Saxton, a professor at the University of Michigan. And while others doubt that Ms. Tyson will be anybody's tool, many do worry that her lack of ideological commitment to free trade will open the gates to protectionists.
Traditionally, the President's Council of Economic Advisers has served as a counterweight to the

Commerce Department and Congress, which generally represent the interests of domestic producers at the expense of those of consumers. But with Ms. Tyson in charge, "there's a risk a voice will be absent at the table," said William Cline of the Institute for International Economics.
A broader concern is that the role of the Council of Economic Advisers is being downgraded, and with it the role of economic analysis in White House policy-making. No one — perhaps not even Mr. Clinton — knows how the council and its staff will divide responsibilities with the National Economic Council, newly created by the president-elect. What is known, though, is that the new body will be headed by an investment-house executive, Robert E. Rubin, who has close ties to Mr. Clinton.
Most striking, perhaps, is that the president-elect has not chosen a single economist with broad knowledge of policy issues to join his inner circle. Alice M. Rivlin, the new deputy budget director who was recruited from the Brookings Institution, might be considered the exception. But her days will be consumed with the technical aspects of managing a trillion-dollar-plus budget.
(AP, Reuters, Bloomberg)

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BA Soothes Fears at Qantas

Compiled by Our Staff From Dispatches
SYDNEY — British Airways' chief executive, Sir Colin Marshall, moved Friday to allay fears his airline's purchase of a stake in Qantas Airways would lead to a gutting of the Australian carrier.

Qantas and the state-owned domestic carrier it merged with earlier this year, Australian Airlines, have shed about 5,000 jobs.
Australia's Labor government, facing an election by May and needing cash to help reduce a yawning budget deficit, accepted the BA bid at its last cabinet meeting of the year, only nine days after bids closed.

Loan to Nonbank Is Called Unwise

Compiled by Our Staff From Dispatches
TOKYO — Yoshiro Hayashi, Japan's newly appointed finance minister, said Friday that banks should refrain from lending money to nonbank financial institutions to "maintain the soundness of the country's financial system."

Tokyo Cuts Outlook On Growth to 1.6%

Compiled by Our Staff From Dispatches
TOKYO — The government formally acknowledged Friday what private economists have been saying for months: Japan will not come close to hitting the 3.5 percent growth target government planners set a year ago.
According to the Jiji press agency, the EPA is forecasting the current account surplus for 1992/93 to be \$116.5 billion, compared with the government's prediction a year ago of a \$71 billion surplus.

Investor's Asia

Table with columns for Hong Kong, Singapore, and Tokyo. Includes line graphs for Hang Seng, Straits Times, and Nikkei 225 indices from 1992. Also includes a table of exchange rates and index values.

AMEX Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

AMEX stock market data table listing various stocks and their closing prices.

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Taipei Hits Tokyo on Trade

TAIPEI — Taiwan's foreign minister accused Japan on Friday of cynically exploiting its economic links with the island and failing to narrow a huge bilateral trade gap.
"Japan is only interested in making money" in Taiwan, said the minister, Frederick F. Chien. "On the political side, Japan never shows the least interest in strengthening bilateral relations. This is something that both our government and our people cannot accept."

Very briefly:

- Broken Hill Pty. of Australia said net profit rose 23.4 percent, to \$01.8 million dollars (\$346.4 million) in the six months to Nov. 30; it sees higher demand for minerals and petroleum generating good profits.
Australia's conservative opposition pledged a 7.8 billion dollar economic stimulus package if it is returned to power in national elections that must take place sometime early next year.

Isuzu Teams Up With GM to Assemble Trucks in U.S.

TOKYO — Isuzu Motors Ltd. said Friday that it had agreed with General Motors Corp. to assemble midsize Isuzu trucks at a GM plant in the United States starting next year.
As Isuzu announced the agreement, it confirmed it was considering withdrawing from passenger-car production.
The truck will be produced in Janesville, Wisconsin, and distributed by Isuzu and GM dealers in the United States, an Isuzu spokesman said. The deal would allow Isuzu, which has been restructuring its car division, to use excess GM production capacity to strengthen its midsize truck division, the spokesman said.

NYSE Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

NYSE stock market data table listing various stocks and their closing prices.

NYSE High-Lows table listing high and low prices for various stocks.

AMEX High-Lows table listing high and low prices for various stocks.

THE MONEY REPORT

FIRST COLUMN

Offering A Prayer for The Franc

THE first round of obituaries for Europe's Exchange Rate Mechanism may have been premature, but only just. Now, after this week's events on the foreign exchanges, the funeral orations are starting up all over again. But this time around they will have to do more than just mourn the passing of that dear friend, once known as financial and economic convergence on a wide European scale.

What the Europeans need now is an idea of where their currencies and their economies are supposed to go. At least then there will be a clear path from which, on present form, Europe will promptly stray.

Although the general rule in finance is that anyone who claims to know what will happen tomorrow is a charlatan or a fool (and sometimes both) some events are looming large enough on the horizon as to be relatively predictable.

The most immediate is the devaluation — or re-alignment if you prefer the bureaucratic euphemism — of the French franc. There are all sorts of good reasons why the franc should not be devalued against the German mark: France has low inflation, a trade surplus, interest rates that offer a real yield, a determined (if slightly hysterical) finance ministry behind its monetary policies, and the genuine support of the German banking authorities. (This last factor is very important. If you have any doubts ask an Italian or a Briton about what the Bundesbank did or didn't do last September.)

But there is another factor that, at least in the short term, outweighs all of these. It is known as profit, and large quantities of it have been made over the last few weeks — especially this week — on the world's foreign exchanges.

Quite simply, foreign exchange dealers have been on a duck shoot. The early victims were the Italian and British currencies, which were driven out by concerted selling pressure. Then the Spanish government, realising it was next, did the sensible thing, and devalued by five percent rather than distribute its foreign exchange reserves to the markets.

Then the French franc came in for a hammering, but got away fairly lightly. This time, the franc has been trading along the bottom of its limit and the dealers are back for their Christmas bonuses. A devaluation, however, would cause damage to French pride. A slight downward adjustment might satisfy the markets, and give the Franco-German axis the impetus it needs to push through a unified currency for the hard core players — the Benelux countries, Germany and France.

That would leave many questions open, such as when, if ever, the weaker currencies might join. Europe would be in a somewhat confused, compromised position. But then, what's new about that?

In Abstemious West, Liquor Companies Look East

By Philip Crawford

THIS year's holiday season should provide the traditional sales boost to the distilled spirits industry, parties being ubiquitous and the bottle of liquor still running a close second to the necktie as the standby, last-minute gift.

But industry analysts say the continuing decline of liquor consumption in the United States, Britain, and to a lesser extent in continental Europe, has forced distillers to adopt creative strategies to maintain profitability. This trend away from hard liquor is attributed to greater health consciousness and to the recession.

The Big Four international distilling concerns — Allied-Lyons PLC, Grand Metropolitan PLC, Guinness PLC, and Seagram Co. — all have had to focus their marketing on their higher-margin brands, monitor consumer preference patterns more meticulously, and put increasing energy into gaining share in emerging markets.

Analysts concur that the companies that best manage those challenges will be the leading performers in 1993, but there is a wide range of professional opinion as to which distillers are the best-positioned.

Some analysts are high on Guinness PLC, which although known best for the creamy stout it has brewed since the mid-18th century, derives roughly three quarters of its total revenue from distilled spirits. Popular brands it owns include Johnnie Walker and Dewar's White Label Scotch whiskeys and Gordon's gin.

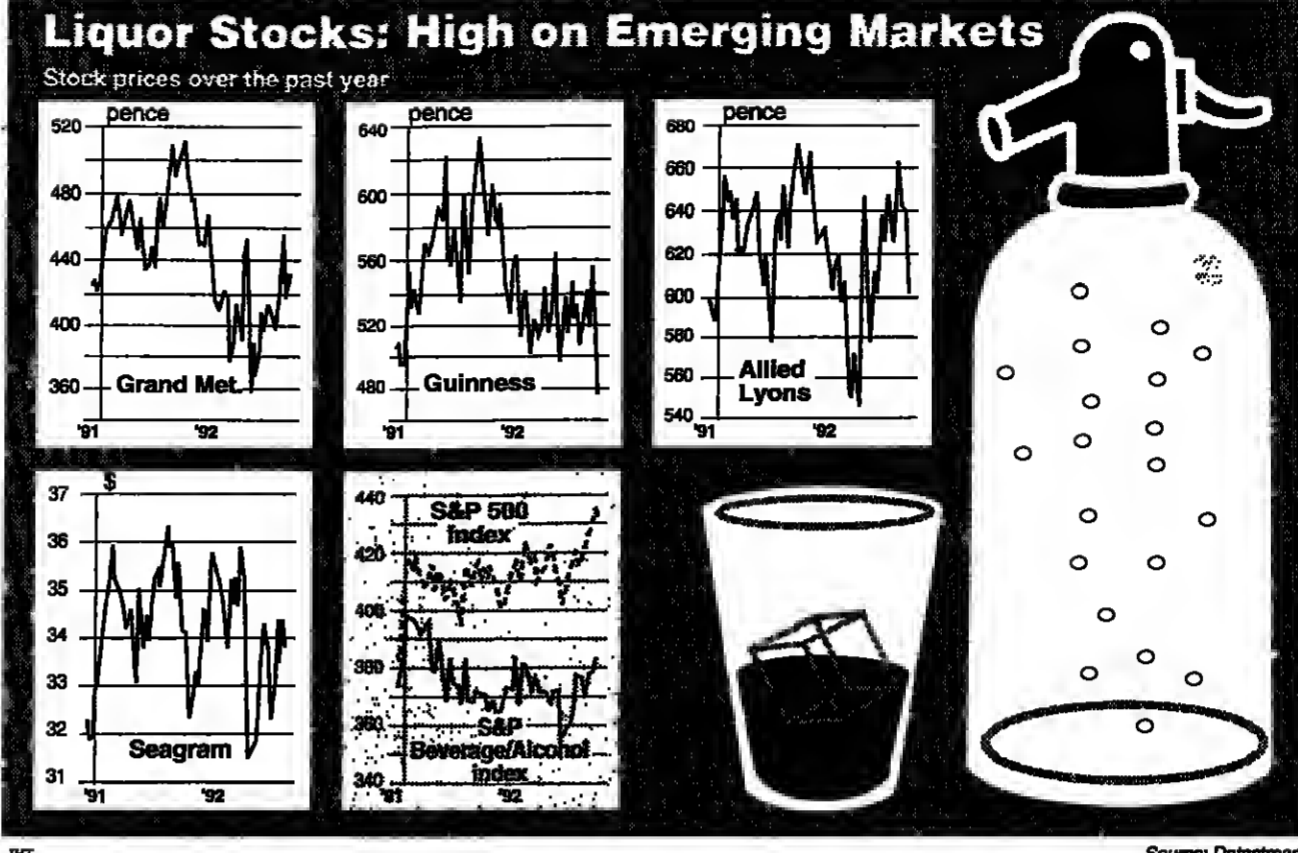
Many analysts cut their 1992 earnings forecasts and share rating for Guinness in September when the company reported a first-half, pretax profit increase of only 1 percent to £353 million (\$554 million), about five percent less than expected. Others, though, remain positive.

"I like Guinness because I like the prospects of the distilled spirits industry in general, as I have for the past four years," said Jonathan Wakely of Lehman Brothers in London. "One of the beauties of this sector is that it's as much about marketing heritage as it is about selling alcohol, and Guinness is a major player with an extensive tradition. They've also got the fourth most profitable beer company in the world."

But Sylvain Massot, who tracks the distilled spirits sector for Morgan Stanley International in London, said that although he recently raised Guinness shares from a "sell" to a "hold" rating, he still foresees rocky times for the company.

"Until the middle of this year, Guinness had outperformed its sector since 1986," he said. "But it relied heavily on price increases to generate earnings. We think the market slowdown in Europe will get worse before it gets better and that Guinness will face a much more difficult pricing environment."

Seagram Co., which produces more than 300 brands of distilled spirits including Seagram 7 Crown, V.O. Canadian whiskey, and Chivas Regal Scotch, is also on many analysts' "buy" lists, despite a poor third quarter. Earlier this month, the company, which is based in Montreal, reported a 7.8 percent drop from a year earlier in net income for the quarter ended Oct. 31, to \$178 million, or 47 cents a share.



Seamgram's president, Edgar J. Bronfman, attributed the slide to recession in Western markets and the high cost of promotion in such newer markets as Asia.

Although establishing a solid position in emerging markets is costly, many analysts say Seagram's vast international presence is one reason they still like the stock.

"Seagram is extremely well positioned in the Far East, which is a major growth area for Western-produced distilled spirits," said Angela Joyce, a sector analyst for Burns Fry Ltd. in Toronto.

"They've also done a good job of selling off less profitable brands in order to concentrate on their higher-margin ones," she said. "I'm forecasting earnings per share of about \$1.90 this year and \$2.25 in '93."

In October of 1991, Seagram sold six brand names, including Leroux cordials, Wolfshmidt Vodka and Calvert Gin, to Jim Beam Co., owned by the Connecticut-based conglomerate American Brands, for \$375 million. Seagram also owns nearly 25 percent of the chemical giant Du Pont Co.

Emerging markets may hold the key in determining which distillers perform best for shareholders throughout the remainder of the decade, experts say. Growth markets which have opened up within the past few years include Korea, Taiwan, Thailand, Malaysia and parts of Latin America.

The pot of gold at the end of the rainbow, many say, is China, which with its population of over a billion people could be a bonanza for Western distillers if current trade restrictions were eased, an event analysts see as possible if not probable.

"The big four have 40 percent of the world's top 100 brands, but only 10 percent of total world sales," noted Ian Shackleton, who follows the industry for James Capel & Co. in London. "The potential in emerging markets is enormous."

Some analysts are touting London-based Grand Metropolitan PLC, which derives 50 percent of its revenues from distilled spirits, its major brands being J&B Scotch, Bailey's Irish Cream liqueur and Smirnoff vodka. Grand Met also owns Burger King and such international food brands as Pillsbury, Häagen-Dazs and Green Giant. The company operates more than 1600 British pubs as well.

Other analysts, however, citing the rela-

tively poor performance of some of Grand Met's U.S. food brands, particularly Green Giant, are less enthusiastic. "Grand Met's distilling end has held its own, but its non-liquor interests have had a pretty tough year," said Eric Frankis, who follows the company for Hoare Govett in London. "We've got a 'hold' rating on their shares."

Allied-Lyons is also running to mixed reviews. Like Grand Met, it gleans about half its revenue from distilled spirits, its high-profile brands being Beefeater gin, Ballantine Scotch and Canadian Club whiskey. The company also has major interests in the food and beer businesses, owning both the Dunkin' Donuts and Baskin-Robbins chains, Tetley Tea, and a host of European breweries. Early this month, the company reported a first-half profit rise of about 2.5 percent to £283 million, short of most analysts' estimates.

"We think their margins are better than some of their competitors, and they're making inroads on the Spanish market, which is buoyant," said Mr. Massot of Morgan Stanley. "Also, the joint venture with Carlsberg will benefit them. We're buyers of their shares."

Last month, after receiving partial regulatory approval, Allied-Lyons and Carlsberg A/S, the Danish brewer, announced the go-ahead of their plans to merge brewing and wholesaling operations into a single company called Carlsberg-Tetley Ltd. Final U.K. regulatory clearance was obtained this week.

Other market-watchers, however, have a more restrained view on Allied-Lyons despite the potential benefits of the merger. "We think they'll be pretty flat in '93," said Mr. Shackleton of James Capel. "Just like they were this year."

There is a steady consumer trend in the United States and Britain away from such "brown" spirits as Scotch, bourbon, and rye whiskey, and toward such "white" spirits as gin and vodka, analysts add.

But brown spirits still dominate most emerging markets.

"People make the mistake of thinking that the spirits market is the same globally," said Mr. Wakely of Lehman Brothers. "Nothing could be further from the truth. In many parts of the world, white spirits don't even exist. Investors should remember that."

BRIEFCASE

Snapping Up Shares From Latin America

The boom in Latin America investing is continuing with the arrival of the first equity fund with no sales commissions, the Latin America Fund, from the Boston money managers Scudder, Stevens & Clarke.

Latin America's stock markets might not look so inviting after a year in which there were two coup attempts in Venezuela, the Argentine peso was devalued and impeachment proceedings forced Brazil's president out of office. But that creates a buying opportunity, insisted Ed Games, the fund's portfolio manager.

"The Nervous Nellies have been flooded out of the market, and you can see some very underpriced stocks," said Mr. Games, who won his stripes managing Scudder's Brazil Fund. "NAFTA has rekindled interest in Mexico, and Brazil is very underpriced."

He plans to allocate 40 percent to 50 percent of the fund's assets to Mexico, 30 to 40 percent to Brazil, 15 percent to Argentina, and 5 percent to Chile.

The fund is also special because it is open-ended, meaning shares will sell for the actual market value of the fund's holdings. This is a departure from the norm, where closed-ended funds have their shares traded on the market. Investors therefore get the market's valuation of the fund's shares, not the same thing as underlying asset price.

Although the fund is no-load, investors who bail out in the first year will be assessed a 2 percent exit fee.

"That way we'll weed out the

New Vanguard Fund Not Cheap at Outset

Vanguard Group expects to begin marketing a range of Treasury portfolios this month with high minimum investments and extremely low expense ratios, a move aimed at taking business away from similar funds sold by its arch-

rivals, the large Fidelity and Dreyfus families.

Each of the four Admiral funds, investing in money-market instruments, and short-, medium- and long-term U.S. government bonds, will require \$50,000 to get in, with additional investments possible for \$1,000. They will permit free check writing and wire transfers and exchanges into and out of other Vanguard funds.

The high minimum will allow the Admiral funds to be run at extremely low expense ratios that Vanguard estimates at 0.15 percent of assets a year. That level is one-third to one-fourth what investors pay in expenses on Fidelity's Spartan range and the Dreyfus Basic funds, Vanguard says, although the company notes that Dreyfus is temporarily waiving its fees, effectively giving them an expense ratio of zero.

Vanguard has 4 million clients and \$34 billion of assets under management in 70 no-load funds.

Trying to Anticipate Clinton's Tax Policy

Are you concerned about the possibility of higher taxes under a Clinton administration? The dilemma facing most U.S. taxpayers is, in essence, whether to go the usual route and defer taxes, or to pay sooner on the assumption that early payment avoids paying more tax later.

This, and other issues, are discussed in the Tax-Saving Strategies Guide 1993, published by the international accounting firm, Ernst & Young. The booklet costs \$6.95 and is published by John Wiley & Sons Inc.

Jersey Concern Says Options Are the Thing

Looking for more income? Options are the answer, according to international fund group Invesco MIM. The firm manages dollar and sterling-denominated income funds, both of which use the technique of writing options against the bonds held in the fund.

The firm claims that its strategy is low-risk, yet can add as much as 2 percent to investors' income.

For more details, write Invesco MIM International, P.O. Box 271, Grenville Street, St. Helier, Jersey, JE4 8TD, Channel Islands, or call Jersey (44) 534-73174.

Guaranteed Funds: It Seemed a Good Idea

ONCE upon a time they were hailed as the great future of investing — for individuals and institutions alike. But today all is not well in the world of guaranteed funds.

Guaranteed funds use derivative instruments — notably options and futures — to achieve their promise of limited upside potential with a money-back guarantee. They have been instrumental in pulling the reputation of the managed futures industry, which suffered a series of nasty scams, up to its current position of relative respectability.

Guaranteed funds were pioneered by E. D. & F. Man, the largest of the managed futures groups and the oldest in Europe. As a marketing tool, guaranteed funds proved formidable weapons in the battle for acceptability.

The concept is that the capital invested by an investor is split, usually on a 60-40, 75-25 or 80-20 basis, with the majority of the capital going into high-grade securities, mostly zero-coupon bonds (which provide no income, but promise the return of a certain amount of money at their expiration), while the remainder is invested in managed futures.

Most managed futures funds then have a lifespan of five or seven years during which time the zero-coupon bond part of the portfolio grows to cover the original investment.

If the managed futures part completely fails to make any money, the investor is thus guaranteed to get his original investment back from the zero-coupon bond portfolio. And any growth on the managed futures part of the portfolio is profit.

The guaranteed fund was a great source of cheer to the managed futures umbrella fund has no guaranteed element.

A Bleak Outlook for the Funds in Britain

DURING the last year the British investment market has been awash with newly launched savings schemes offering the seemingly impossible combination of stock market gains and none of the losses. The only downside is that investors often have to commit their savings for up to five years. Those who pull out sooner lose their capital guarantee and — even in a rapidly rising market — may suffer heavy exit fees that can eat into their original investment.

Although a record number of guaranteed funds are being launched in Britain, their future looks bleak. The market conditions that allowed insurance companies and banks to make such grand promises are rapidly disappearing. Save & Prosper closed its fund in early December, while Citibank Life and Scottish Provident pulled out of the market earlier this year.

Some funds have been based outside Britain to give them greater flexibility. In September, Foreign & Colonial launched a Jersey-based guaranteed fund aimed at British investors that cuts the investment period to three months. Its offshore status puts it outside the demands of British regulations and investors must seek other assurances that the fund can back its claims.

After deduction of a 5 percent initial charge, the balance of the client's money is placed on deposit at the best interbank interest rate available over three months. This future return is then swapped in favor of call options for the same period. If the market rises the investor receives the gains and if it falls only the potential interest is lost rather than the capital.

It is, perhaps, ironic that British managers have discovered the marketability of guaranteed funds at exactly the time they are becoming harder to arrange.

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Trying to Anticipate Clinton's Tax Policy

Are you concerned about the possibility of higher taxes under a Clinton administration? The dilemma facing most U.S. taxpayers is, in essence, whether to go the usual route and defer taxes, or to pay sooner on the assumption that early payment avoids paying more tax later.

This, and other issues, are discussed in the Tax-Saving Strategies Guide 1993, published by the international accounting firm, Ernst & Young. The booklet costs \$6.95 and is published by John Wiley & Sons Inc.

Jersey Concern Says Options Are the Thing

Looking for more income? Options are the answer, according to international fund group Invesco MIM. The firm manages dollar and sterling-denominated income funds, both of which use the technique of writing options against the bonds held in the fund.

The firm claims that its strategy is low-risk, yet can add as much as 2 percent to investors' income.

For more details, write Invesco MIM International, P.O. Box 271, Grenville Street, St. Helier, Jersey, JE4 8TD, Channel Islands, or call Jersey (44) 534-73174.

THE MONEY REPORT

Life Abroad: Culture Shock vs. Business Judgment

By Kate Bales

A U.S. corporation continues to vie for seats in the world marketplace, more employees are being transferred overseas. While the majority jump at the opportunity to experience life abroad, Ruzmeyer International, a research and analysis firm, claims that few are prepared for the culture shock.

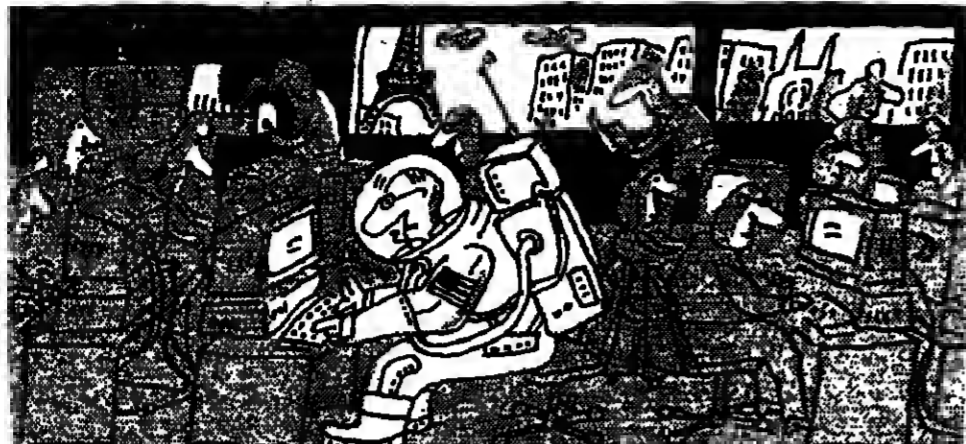


Illustration by [Name]

"I felt like a creature from another planet," said one American transplant who had just quit her job as a research assistant at a French law office.

"I worked alone in my office all day," she said, "completely isolated from my colleagues. I was expected to refer to my co-workers as 'Madame' and 'Monsieur.' Why didn't anyone ever teach these people about teamwork and support?"

"Forget your assumptions and all those prejudgments," advises Polly Platt, an American expatriate who has lived in Europe for 30 years and offers a six-week course in Paris on cultural adjustment.

Most French co-workers would believe themselves to be imposing had they offered to discuss projects or socialize with an American co-worker.

The fact is that regardless of the French obsession with American films, music, technology and sports, the French make a point of not being interested in Americans—or so many Americans believe.

Miss Platt began to study intercultural differences after her first marriage, to an Austrian, "was a miserable disaster."

"My husband was often in a state of outrage that I was constantly offending the practices of the local Viennese," she said. While struggling to learn the customs, she often felt as if she was "hanging upside down by her knees from a tree branch."

One problem that all overseas transplants face is that while many people are quick to judge and feign offense by a foreigner's behavior, few will take the time (or feel that it is appropriate) to quietly tell the person that they have committed a faux pas.

If you are late for a business meeting in Germany or Sweden you have not only personally insulted your peer, you are likely to lose any future business. In these countries, business executives rarely want to work with something they perceive as being so openly discourteous.

Miss Platt points out that it is only possible to understand a culture, and function within it, by carefully examining not only the workplace, but also the home life, the school system and the society at large. Business customs and necessities are inseparable from the culture in which people are raised.

For Americans executives, business often involves running around town on the breakfast, lunch and dinner circuit; it is a custom Europeans often find repugnant. Europeans observe this occupational mega-meal habit as representing a person who has no family values; versus someone willing to make sacrifices of his time for the security of their family.

Business meetings themselves can present alien territory for expatriates since Americans tend to thrive on agendas and listen attentively, or pretend to, when someone gives a presentation.

French meetings, however, are considered a place for randomly tossing around ideas, often all at once, since real decision making is done separately, privately, by the top executives of the corporation.

Teamwork is considered essential to the healthy functioning of a large American corporation, and workers generally place the opinion of the team before personal programs. But while team and sporting activities are an essential part of school life in America, they have far less importance in European schools.

According to Sylvaine Plasson, a French bilingual recruitment agent working in London, "I couldn't believe it when they wouldn't let me wear pants to the office. The English are much more formal, they prefer for a woman to wear a cheap suit than a chic pair of trousers. On the other hand, it is also a more social and friendly place. People are always adding me out to the pub at the end of the day."

When an American loses his temper, he may feel that he has lost something. In France, a controlled display of temper is a way of communication and rarely carries the significance Americans attach to a show of anger.

In Japan, however, subtlety is an art form and direct confrontation is avoided at all costs. While it may be possible to forge through some of the cultural barriers, it makes long-term working arrangements, and communication, difficult if not impossible. As several American and European doing business in Asia have observed, "The Japanese nod and say yes even if they mean no, or, if they have absolutely no idea what you are talking about."

The office is not the only place that transplanted workers find themselves challenged by cultural

discrepancy. Spouses who come abroad because of their partner, and children who are told how gladly they will be someday to leave their friends to learn a foreign language, are rarely, if ever, given support or training by the company providing their move.

According to Marissa Rouseff, President of American Wives Abroad, "It can be very hard to adjust to another culture, but people should keep in mind how much easier it is to be an American abroad, than a foreigner in Texas."

A German attorney traveling in America noted that in two weeks of travel he had heard only three minutes of news about his country.

In general, he found American newspapers gave less space to international events than to the cross-word puzzle.

Hiring and promotion policies are often based more on the university one attended than on individual performance.

An American executive working at a prestigious French bank was asked to recruit a number of young executives and was given a stack of résumés from recent graduates of the Ecole Polytechnique, one of the top schools.

When he explained to his supervisor that these recent students did not have the experience or diversity that he was seeking, he was told that they were his only option.

The frustrated American told his director that he might as well pin all the names on a wall and select his new staff by throwing darts.

Americans often complain that they have trouble convincing the French, or the Japanese, that a business contract can present a "win-win" situation.

Both cultures tend to believe that situations exist only in terms of "win-lose" and they spend more time than most Yankees looking for holes to fall into before they are willing to take a risk.

November Market Scoreboard

Table with columns for Best Performers, Worst Performers, New York Stock Exchange, Frankfurt Stock Exchange, Paris Stock Exchange, London Stock Exchange, and Tokyo Stock Exchange. Includes stock names, prices, and percentage changes.

Compiled by Morgan Stanley Capital International. Prices in local currencies.

INTERNATIONAL FUNDS

Large table listing various international funds with columns for fund name, price, and other details. Includes sub-sections for Bond Portfolios, Equity Portfolios, and Other Funds.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

SPORTS FOOTBALL

Form Holds For Leaders

The Associated Press

The Chicago Blackhawks got a big performance from Ed Belfour in goal. The Pittsburgh Penguins got a big goal from Jaromir Jagr. The Montreal Canadiens just got even.

It all added up to a night for divisional leaders in the National Hockey League as the Blackhawks beat Winnipeg, 5-1; the Penguins topped Philadelphia, 5-4, in overtime, and the Canadiens routed Quebec, 8-3, on Thursday.

"It was a total effort by everyone," said Kirk Muller, who led the Montreal onslaught with

NHL HIGHLIGHTS

two goals. "Tonight we won all the battles, and last night we didn't win any. This was a huge win for our team."

The Canadiens avenged a 5-1 loss to the Nordiques in their own building 24 hours earlier and beat Quebec for the first time in three games this season.

Blackhawks 5, Jets 1: Belfour stopped 29 shots to run his unbeaten streak to seven games as Chicago remained unbeaten for the 11th straight game at home.

The Blackhawks' penalty-killers did a strong job, shutting down the Jets on all 10 of their extra-man advantages.

Jeremy Roenick scored two goals to lead the Blackhawks, who are 9-0-2 in their last 11 at home and have won five straight overall.

Penguins 5, Flyers 4: Jagr scored with 2:10 remaining in overtime to lift Pittsburgh over Philadelphia.

Jagr picked up a deflected pass from Mario Lemieux in the right circle and scored his 14th goal of the season, beating Tommy Soderstrom, who was making his NHL debut. The winning goal was Jagr's league-leading seventh.

Pittsburgh has won five of its last six and is unbeaten in its last 11 against the Flyers (8-0-3).



Tommy Soderstrom of the Flyers, a Swedish goalie who was making his NHL debut, minded his own business as a battle erupted behind him. The Penguins won in overtime.

Rampant Chargers Think Playoffs

By Tom Friend
New York Times Service

SAN DIEGO — When his Chargers were 0-4, Bobby Ross would declare mulligans during practice. In a simulated-game drill in September, Stan Humphries deeded a fence with an errant pass, and Ross interceded.

"First down again," the coach said.

San Diego's machismo defense wondered why. "Pass interference," Ross said, poked-faced, although a defender had not even breathed on the intended receiver.

Nine weeks later, Humphries and the offense need no such perks. The Chargers have won nine of their last 10 games and one more victory makes them historic. No National Football League team has ever reached the playoffs after starting the year with four straight losses; a 10th victory would guarantee San Diego a wild-card berth.

"Interesting to see how we respond to winning," said Bert Grossman, a defensive end, "because we already know how to respond to losing."

The Chargers last printed playoff tickets in 1982. "I was a freshman in high school," Grossman said.

What San Diego does is run the Washington offense better than the Redskins. San Diego's general manager, Bobby Beathard, came from Washington; its quarterback, Humphries, came from Washington; its running-back scheme came from Washington; its comeback scheme came from Washington; its punting backs are bigger than Washington's.

"I'm too small to play in the backfield here," said Grossman, a 270-pounder.

"Well, I'm 240," said Rod Bernstine, a Chargers' running back. "And Marion Butts is 250. But we mix it up on teams. We've got Ronnie Harmon, who's the cut-quick one, and Eric Blumensly, who's a bowling ball you can't find."

What San Diego does is churn up the clock with nondescript runs and filter in a few big-play passes from Humphries to Anthony Miller, who once nearly beat Darrell Green,

reputedly the NFL's fastest man — from Washington, of course — in a foot race.

"The offense has turned it around," Grossman said. "An example is our last game against Cincinnati. Our defense was only on the field for four plays the first quarter and for 40 all game, and my rookie year we averaged like 70."

Ordinarily, this year's team leans on its defense. It has a dominating linebacker, Junior Seau, whose eyes widen and bulge like Mike Singletary's, and a defensive end, Leslie O'Neal, who leads the AFC West in sacks and his team back in intangibles.

O'Neal's father and his aunt, who helped raise him, have each lost their legs because of diabetes; he said his 15 sacks are dedicated to them.

The Chargers are so much in sync that their 0-4 start now seems beyond logic. But their starting quarterback, John Friesz, had worn up his knee in preseason, and Humphries was not obtained until 10 days before the opener.

"At the beginning of the year, Stan just didn't know where his secondary receivers were," Bernstine said.

The losses were to Kansas City, Denver, Pittsburgh and Houston — normal for an organization that has not been on television's "Monday Night Football" since 1986.

"How was 0-4?" Grossman said. "It was like it usually is around here — we're always 0-4 or 1-5. It wasn't like we're San Francisco and 0-4 was something new for us. How was 0-4? It was crappy, like it always has been."

It is difficult to tell how delirious the fans are in San Diego. There has been only one home sellout, against the hated Raiders, whom they play again Sunday in Los Angeles — while one of the team's most senior players, defensive back Gill Byrd, said he can still walk around anonymously in shopping malls.

"Yeah, but we'd always get 40,000 at our games before, and now we're getting 50," Grossman said. "So, it's about a 10,000 difference. We come back from the airport oof, and there's like 500 people to greet us and stuff, and that was unheard of before."

"When I was drafted here in 1989, and I was holding out back in Pittsburgh, I went to Cleveland's training camp. There were like 10,000 people at their practices and there were concession stands, and I'm thinking, 'Wow, this NFL is great.' But I came out here and there were five people at practice."

The turnaround is attributable to three items: Ross, Humphries and a favorable schedule.

Ross is a disciple of Marv Levy, who employed him with the Chiefs and at William and Mary. Ross mapped out a six-month schedule for the team back in July, and has not deviated from it.

"His middle name should be 'Attention to Detail,'" offensive tackle Broderick Thompson said. "But that's what we needed."

The Chargers always had the personnel, but not the coach to nurture it. Beathard, however, was the one who in Washington hired an untested assistant coach named Joe Gibbs, and Beathard is the one who talked Ross away from Georgia Tech last winter.

Until he signed Ross, Beathard was taking sustained public beat for the Chargers' malaise, but few recalled that he had outprospered in Washington, either, until he ordained Gibbs, Beathard's most astute roster moves, then, may have been coach hirings.

Beathard fought with Gibbs, who resisted suggestions to play Beathard's obscure draft picks and free agents. It works better for Beathard now with Ross, a former college coach who finds comfort in youthful players.

Ross, though, mirrors Gibbs in that Gibbs started 0-5 his first year in Washington. And neither lost his composure. "I wasn't panicky," Ross said, "because I had a four-year contract."

Humphries, too, deserves credit for staying calm. He arrived having started only five pro games in his life, and he threw eight interceptions and just one touchdown in the first four Chargers losses.

But he has a 13-to-10 touchdown-interception ratio over since, and he so admires his own passing arm that he arrogantly drills balls to covered receivers.

He has a better feel for the game and is tougher than Friesz, the Chargers' supposed quarterback of tomorrow. Last Sunday against Cincinnati, Humphries nearly came to blows with linebacker Alfred Williams of the Bengals.

Actually, Humphries weighed about as much as Williams — 240 pounds last year — the Redskins' general manager, Charlie Cassady, said. "The decision was between me and Byrd, and we went with the Super Bowl MVP."

Washington received a third-round pick for Humphries, perhaps a steal for San Diego.

— in his Redskins days, Be was a pizza lover, and Gibbs and his staff found it peculiar in 1990 that they could not motivate him to trim down. Until then, the organization had preferred Humphries over Mark Rypien.

"Stan then asked to be traded maybe the Chargers would not be where they are without their schedule, which favors teams that have poorer records the season before. The two best teams they have beaten — Cleveland and Denver — are only 7-7."

"We have a fifth-place schedule," Grossman said. "But, I mean, we were a fifth-place team last year. If there had been eight places, we would've been an eighth-place team last year."

The team is in such high spirits now, a handful of defensive backs have shaved their heads.

"We were going to do it if we made the playoffs," safety Darren Carrington said. "But we couldn't wait."

Thompson, the offensive tackle with a full head of hair, laughed and said: "I take my hat off to those secondary guys. In fact, they could use some hats."

O'Neal Works Outside Magic

The Associated Press

Everyone knows what Shaquille O'Neal can do inside. The Sacramento Kings also got to see what he does for Orlando outside.

O'Neal had 22 points, 20 rebounds and 7 blocked shots Thursday night as the Magic sent the Kings to their sixth straight loss, 112-91.

"Someday I am going to be the man," O'Neal said. "I got a lot of tricks in my bag, but I'm still

NBA HIGHLIGHTS

learning the NBA. Wait until I'm a veteran and I start getting veteran calls."

The Kings were not able to stop O'Neal inside the lane, even when they double-teamed him. And when they did put an extra man on him, he passed out to the jump shooters — Nick Anderson, Dennis Scott and Scott Skiles.

Anderson had 25 points and Scott and Skiles each scored 17 for Orlando.

"Our game plan was to double the big fellow and give up the perimeter game," said Sacramento's coach, Garry St. Jean. "To try to defend and not let him dunk it, we were trying to body him off the box. The young man is very impressive."

O'Neal outscored the Kings' entire starting lineup, 20-19. He made nine of 14 shots from the field.

"Shaquille adds a lot to the team, not only being so agile inside, but he fires up their outside shooters," said Wayman Tisdale of the Kings.

Nets 102, Bucks 101: Drazen Petrovic's three-point play rallied New Jersey and sent Milwaukee to its ninth straight loss.

Sam Bowie put up a wild shot that Petrovic rebounded, made the basket and was fouled by Alvin Robertson. Petrovic led New Jersey with 22 points.

It's Showdown Time for Many Teams, but Not 49ers

New York Times Service

BUCCANEERS (4-10) at 49ERS (12-2)
Key stats: Tampa Bay has lost nine of 10, and 13 of its last 14 games on the West Coast; San Francisco, with George Seifert as coach, is 15-1 in December games. Comment: This is all San Francisco needs to clinch home-field advantage throughout the playoffs: victories at home against Tampa Bay in one of Saturday's games and then against Detroit. The 49ers' offense continues to get the glory but the defense will shine in this matchup, reminding everyone of why this team, with its immense balance, is the Super Bowl favorite. The 49ers are favored by 20 points.

CHIEFS (9-5) at GIANTS (5-9)
Key stats: Kansas City is on track to win its first AFC West title since 1971; New York allowed 179 rushing yards in loss to Phoenix. Comment: The Chiefs' running game has stumbled, so they ponder featuring quarterback Dave Krieg and allowing their capable receivers more freedom. A look at how the Giants' run defense collapsed against Phoenix, however, might revert the Chiefs back to running. Chiefs by 7.

BILLS (10-4) at SAINTS (11-3)
Key stats: Buffalo has won six of its last 10 games vs. the NFC; New Orleans has won 19 of its last 22 vs. the AFC. Comment: An intriguing matchup Sunday featuring strength and versatility in opposite areas for both teams. For the Bills, it's an offense that is multi-faceted and explosive. For the Saints, a defense that is top heavy in skill and power. Saints by 3.

OILERS (8-6) at BROWNS (7-7)
Key stats: Three of Houston's last four losses have been by three or fewer points; Cleveland snapped four-game losing streak to Houston with 24-14 victory in Week 10. Comment: Cleveland was in the thick of the AFC playoff race before collapsing at Detroit. Now it must

rebound with a secondary banged up and full of inexperienced replacements, and with an offense that handoffs itself largely due to inconsistent design. The Oilers often respond best when stuck in the dumps, led by their receivers, notably Haywood Jeffries. Oilers by 1.

RAMS (5-9) at PACKERS (8-6)
Key stats: Los Angeles ranks last in NFL in rushing defense; Green Bay receiver Sterling Sharpe has 94 catches and 11 touchdown receptions — no other NFC receiver has 10. Comment: Surging and surprising Green Bay, if it beats the Rams and Minnesota loses to Pittsburgh, will play at Minnesota next week for the NFC Central title. That would be a remarkable achievement. Green Bay is underdoged up front but makes up for it with bustle and outstanding coaching, especially on defense by coordinator Ray Rhodes. Quarterback Bret Favre should find plenty of holes on scrambles and in the Rams' secondary. Packers by 6.

VIKINGS (9-5) at STEELERS (10-4)
Key stats: Minnesota quarterback Rich Gannon was 9 for 21 for 71 yards with one interception and one touchdown in loss to San Francisco; Pittsburgh rushed 15 times for 35 yards in loss to Chicago. Comment: The Vikings have had a back of a time settling on a quarterback. It's been Gannon, then Sean Salisbury, then Gannon and now back to Salisbury. No matter, Pittsburgh gets back on track with Barry Foster's running and Bobby Brister raises his game to a more productive level. Steelers by 2.

PATRIOTS (7-12) at BENGALS (4-10)
Key stats: New England has been outscored in rushing touchdowns, 12-5, and has allowed 63 sacks; Cincinnati averages 121.3 passing yards per game. Comment: Both teams are play-

ing for 1993 and both ought to be happy that the new free agency system on the horizon will allow for a complete overhaul. Bengals by 4.

CARDINALS (4-10) at COLTS (7-7)
Key stats: Phoenix, after allowing 41 points to Washington and 27 to San Diego, both losses, shut out the Colts; Indianapolis is 3-4 at home. Comment: Phoenix showed great improvement against the shuffling Colts but on the road are 1-6. The Colts' coach, Ted Marchibroda, has his team at .500 and few can figure out how. Colts by 2.

REDSKINS (9-5) at EAGLES (9-5)
Key stats: Washington in beating Dallas was outgained 342 yards to 246 yards; Philadelphia in victory over Seattle won in yardage by 466-87. Comment: Turnovers were critical for both teams last week and will be again in this game. Expect Philadelphia to win the turnover war at home, where it is 6-0. Eagles by 3.

BEARS (5-9) at LIONS (4-10)
Key stats: Chicago's defense held Barry Foster to 25 yards on 12 carries; Detroit's Andre Ware was 10 of 14 with two touchdown passes vs. Cleveland. Comment: The Lions give Ware the football once more and are eager to see if he can match his sharp performance in the victory over Cleveland. Expect a big game from Ware and for the Bears to slip back into the bad habits (poor tackling, dropped passes) that helped ruin their season. Lions by 3.

CHARGERS (9-5) at RAIDERS (6-9)
Key stats: San Diego has won nine of 10; Los Angeles lost to San Diego by 27-3 in Week 13. Comment: Marcus Allen's public dispute with the Raiders' owner, Al Davis, probably will have no effect on the team, since the Raiders are big boys who are used to occasional controversy. The old problem, however, remains for the Raiders: inconsistency on offense. That, along with costly turnovers, are neumes that will surface once again. Chargers by 3.

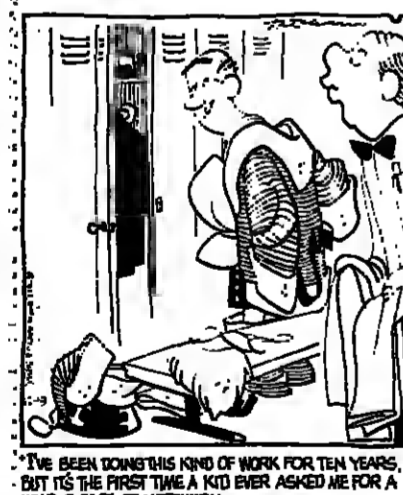
SEAHAWKS (2-12) at BRONCOS (7-7)
Key stats: Seattle offense managed only 87 total yards vs. Philadelphia; Denver is 6-1 at Mile High Stadium. Comment: Denver was 7-3 and atop the AFC West before quarterback John Elway's shoulder injury put him on the sidelines. He is scheduled to return, but the Broncos have three teams ahead of them in the wild-card playoff race. Elway keeps hopes alive, and the Seattle defense pitches in and keeps things simple with its ineffectiveness and poor play. Broncos by 8.

JETS (4-10) at DOLPHINS (9-5)
Key stats: New York has won three straight over Miami but is 0-3 in games on grass and is struggling with quarterback Brian Nagle (13 of 33 with three interceptions in loss to Indianapolis). Comment: It is payback time for the Dolphins, who were booted out of the playoffs in a regular-season-ending loss to the Jets last year and lost to them by 26-14 in Week 9. Look for a big reception and yardage day from tight end Keith Jackson and for the Miami defense to produce one of its best games of the season. Dolphins by 11.

COWBOYS (11-3) at FALCONS (6-8)
Key stats: Dallas' Emmitt Smith rushed for 160 yards vs. Atlanta last season; Atlanta's defense has allowed only one touchdown in its last 14 quarters. Comment: The Falcons should be sky high for this prime-time affair in the Georgia Dome. But look for Smith to compile another huge day against a gambling and over-ager Atlanta run defense. Cowboys by 7.

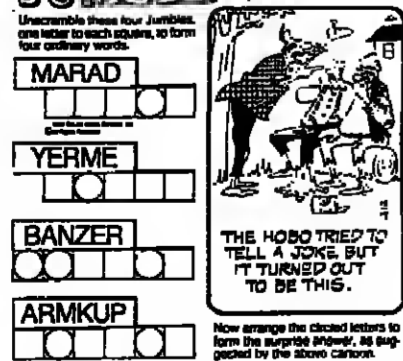
These matchups of National Football League games were written by Thomas George of The New York Times. Odds were provided by Harrah's of Las Vegas.

PEANUTS



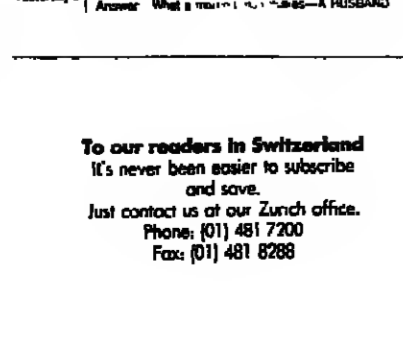
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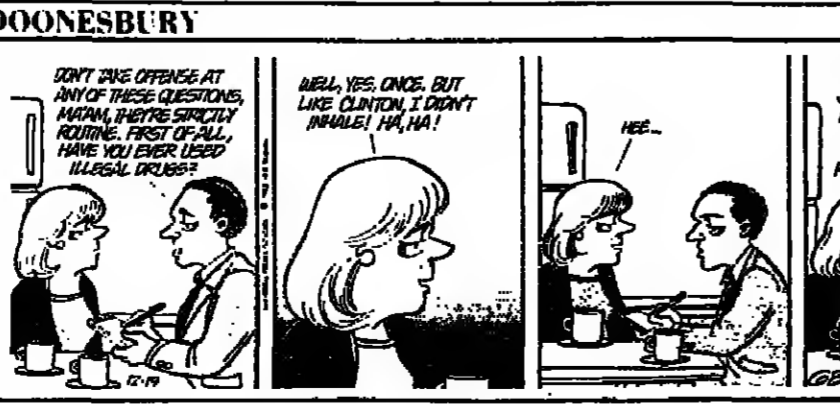


THE TIGER GOT TIRED OF POSING, AND...

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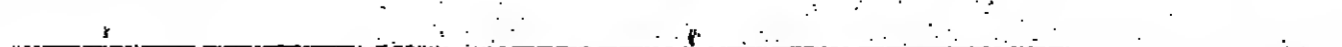
WIZARD OF ID



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DAVE BARRY

A Helium Party

MIAAMI—If you're planning a party for your 12-year-old child, my main piece of advice is: Allow plenty of time for the CAT scan.

I learned this important parenting lesson recently when my son, Rob, decided he wanted to celebrate his 12th birthday by holding a dance party. So we rented a hall used for exercise classes and hired a disk jockey. ("I won't play anything with dirty words," the disk jockey assured us. "Unless of course you WANT me to.")

Our plan was to decorate the hall with crepe-paper streamers and helium-filled balloons, so several hours before the party, we went to a store that rented helium tanks. The man asked us whether we needed a small, medium or large tank. "Large," said Rob instantly. BONUS TIP FOR PARENTS: Never allow your child to make a decision regarding helium tank size.

We ended up staggering out to the car with a helium tank the size of a Polaris missile, but heavier. We lugged this into the dance hall, where Beth and I began putting up streamers while Rob and a friend set about the task of not filling balloons with helium. The reason they were not doing this, of course, is that they were too busy doing what young people always do when they get hold of helium: namely, inhaling it and then talking in Donald Duck voices. What fun! It was such fun that Rob did it a number of times in a row. The problem was that helium does not contain any oxygen, which is one of the minimum daily nutritional requirements recommended by the American Medical Association for growing children.

One minute Beth and I were putting up streamers while our child was talking like Donald Duck; the next minute he had keeled over, taking care to wobble his head against the concrete wall as the way down, and was on the floor, forehead bleeding, body twitching spasmodically in what we later found out is called an "anoxic seizure." Yes sir! This was shaping up as the most exciting birthday party EVER, topping even the one wherein we filled the wading pool with Jell-O!

Rob quickly regained consciousness and appeared to be thinking clearly ("I'm gonna MISS MY PARTY!"). Beth and I agreed that since it was too late to tell the party guests not to come, she'd stay at the dance hall. I took Rob to the hospital emergency room, where a nice medical person assured me that children are always injuring themselves immediately before carefully planned family events and that many families traditionally celebrate all their important occasions right there in the emergency room.

Another nice medical person informed me that Rob needed a CAT scan and a plastic surgeon to sew up his forehead gash, and that these things, plus the paperwork, could easily take four or five hours. So I explained that this was a Medical Emergency, meaning that in one hour, Beth would be a lone 45-year-old woman in a darkened hall containing 10 large pizzas, a disk jockey born in 1971 and 40 hormonally crazed 12-year-olds.

Realizing the extreme seriousness of this situation, the emergency room crew swung into action, and within minutes Rob was strapped into the CAT scan machine. A medical person named (really) Dr. Galloway used it to look inside Rob's skull and let me see the pictures. "Hey, Rob!" I said. "It turns out you have a brain!" "Shut up, Dad," he said, from inside the CAT scan machine. Anyway, the CAT scan was negative, meaning, in layperson's terms, positive, so it was time for the plastic surgeon to sew up Rob's forehead. This turned out to be a simple procedure, although the next time Rob needs it, I intend to request total anesthesia for myself.

We raced back to the dance hall and got there just as the party started. Rob's friends all gathered around to hear what happened and admire his injury and the cool bloodstains on his shirt. The decay turned his amplifier volume knob to "KILL ZONE" and started playing the kind of music that young people like today, meaning, in layperson's terms, ugly.

But the kids liked the music; some of the boys even stopped punching each other and DANCED WITH GIRLS. Beth and I sat in the next room, watching the kids, marveling at their energy, pondering the fact that Rob was a year older.

Whereas WE had picked up at least five years apiece.

By David Galloway

BERLIN—Max Reinhardt was both a foreigner and a Jew, whose theatrical genius lent the capital of the Weimar Republic an international luster unparalleled in the city's history. There are now innovative plans for Germany's once-and-future capital to honor this "immigrant" genius who fled from the Nazis in 1933.

The Max Reinhardt House, to include two theaters, a research center and archives, together with various commercial facilities, can be seen as a symbolic restitution that assumes an even larger dimension in these racially troubled times. So, too, does the decision of the director's son Gottfried Reinhardt to transfer his father's remains from New York, where they were interred during World War II, to a Jewish cemetery in Berlin.

Born near Vienna in 1873, Max Reinhardt had already made his reputation as an innovative actor-director in the early years of his career, and there was no form—from chamber drama to circus, from Greek tragedy to opera—that failed to excite his imagination. He collaborated with the best composers of the day and with such artists as Edward Munch, Emil Nolde and Lovis Corinth. He was also the first director to be called onto the stage to take his own curtain-call.

But it was in the 1920s, as the owner of no fewer than 10 theaters, founder of the Salzburg Festival and an impresario whose companies traveled between London and Moscow, Venice and Los Angeles, that his star shone most brightly. Reinhardt's production of "A Midsummer Night's Dream" at the Hollywood Bowl was a masterpiece, contrast with Warner Brothers, but he would live to complete only that single classic. The director had left Berlin for good on the day Adolf Hitler became chancellor, after a brief period of asylum in Austria, emigrated to the United States, where he died in 1943.

For theater-lovers, Reinhardt's name is most closely associated with the Grosses Schauspielhaus, which he built at the heart of the city on the orrib bank of the River Spree. The extravagant and controversial building, popularly known as the "Stalactite Cave," was built by the Expressionist architect Hans Poelzig. The building was destroyed in World War II, and the site soon vanished behind the Berlin Wall. Today, it is a prime commercial location for development. But for 80-year-old Gottfried Reinhardt, an author and former film producer, it is the only appropriate location for a memorial to his father's achievements, and he has officially informed Berlin's senator for culture that he will waive claims to the remainder of the extensive Reinhardt properties confiscated by the Nazis if the land where the Grosses Schauspielhaus once stood is made available.

Yet neither Gottfried Reinhardt nor the Frankfurt real-estate developer and art patron Dieter Bock have thought in terms of erecting some anachronistic homage to the good-old, bad-old days of the Grosses Schauspielhaus. Reinhardt's innovative spirit should be reflected, but in "a monument for the 21st century" that, unlike the familiar trademark of the Brandenburg Gate, proclaims a new beginning. Ironically, the site faces the one where Ludwig Mies van der Rohe once sought, without success, to erect the world's first glass skyscraper.

Gottfried Reinhardt and Dieter Bock quickly agreed that the man who could best fulfill their mandate was the enfant terrible of "Deconstructivism," the New Yorker Peter Eisenman. Long celebrated as the mixing man's architect, as a theoretician, author and teacher, Eisenman had realized few major projects before the 1980s. The revolutionary Wexner Center for the Arts in Columbus, Ohio, is his principal work to date. It combines a sensitivity to European philosophy with American pragmatism and a seasoning of old-fashionedchutzpah. The result is a building full of tensions, pauses, fragments, colliding grids and vigorous dialogue.

Challenged to build "a monument to the 20th century" in Berlin, Eisenman began with the famous Möbius strip that seemingly endless loop that takes its name from the German mathematician who first devised it. Electronically "folded" and manipulated, the form became a great crystalline arch—a conscious rejection of the skyscraper's phallic profile. Eisenman calls it "a bisexual structure." It was also so complex in its multiple-faceted, computer-generated surface that conventional model-builders were at a loss to reproduce it in three-dimensional form. An accurate scale model was finally cut with the aid of a laser.

Drawings and the model are now on view at the Humboldtthafen in Berlin's Tiergarten. There are many hurdles to be overcome before Eisenman's fantasy can be transformed into a sizzling-glass and mirror-clad reality. Ownership of the site will first have to be clarified, and city fathers will then have to come to terms with a 39-story structure that dwarfs Berlin's traditional "gritter-line" limitation of 22 meters (72 feet). Peter Eisenman remains stoic: "So few of my projects have been realized that building permission always comes as a surprise." But the project already has influential friends who see its futuristic and symbolic qualities as a welcome antidote to Berlin's mushrooming Postmodern conglomerations.

Mingling muses and merchants under a single roof is no contradiction in the eyes of Dieter Bock, who heads the Otto Dix Foundation and whose loans fill one-quarter of Frankfurt's Museum of Modern Art. In Munich, he recently inaugurated the Prater Island, a converted schnapps factory with 18 subsidized ateliers for artists and a vast exhibition space that is currently showing a superb "Fluxus" exhibition. By renting out the main hall for 100 days a year, primarily to the fashion industry, Bock calculates that the cultural activities will be fully financed, and he predicts that, in a time of dwindling cultural funding, such "joint ventures" will become increasingly common. The Berlin model is not unlike that devised by the Cologne industrialist and collector Rolf Hoffmann, who commissioned the American sculptor Frank Stella to design a Kunsthalle for Dresden with adjoining commercial spaces, which will support the exhibition program.

David Galloway is an art critic and free-lance curator based in Wuppertal, Germany.

Berlin's Reinhardt Homage: Why Not Eisenman?

By David Galloway

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Peter Eisenman

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Eisenman's model of the proposed building.

After a year of wrangling, the Dresden city council has now approved the project.

Whether or not the Max Reinhardt House can be realized in the form Eisenman proposes, he will soon leave a major mark on the German cityscape.

Other than a cluster of houses in the shadow of Checkpoint Charlie, it is the first significant European project for a man who is already a legend among younger European architects.

Max Reinhardt, who urged the approval of Mies van der Rohe's visionary glass skyscraper, would plainly cast his vote in favor of the Berlin project.

David Galloway is an art critic and free-lance curator based in Wuppertal, Germany.

PEOPLE

Duchess of York Eyes A Manhattan Residence

The Duchess of York, separated from Prince Andrew, the Duke of York, is considering a home in New York. According to Barry London, a New York publicist who says he has represented the royal family on specific projects in the past, including trips to the United States, she is interested in living in Trump Tower, owned by Donald Trump. ... Meanwhile, the government said the duchess's mother-in-law, Queen Elizabeth II, costs British taxpayers £63,000 (\$94,500) every time she takes her family on the royal train.

Now, will they pay? The California State Supreme Court turned down the Walt Disney Co.'s appeal of a \$2.3 million jury award to the singer Peggy Lee for using her voice without her permission in the 1961 film "The Lady and the Tramp." The court's move means Disney has run out of appeals on the case.

"The Player," Robert Altman's film about an amoral Hollywood, was voted the best film of 1992 by the New York Film Critics Circle and Altman was named best director. Denzel Washington was voted best actor for his performance in "Malcolm X" and Emma Thompson was named best actress for "Howards End." Also in New York, "Howards End," the British film based on the E. M. Forster novel won three D. W. Griffith awards — for best picture, best actress and best director, James Ivory.

The Lebanese singer Feyruz is to sue Madonna, accusing her of including in her video clip "Erotica" a passage from one of her songs, a hymn. Feyruz had also instructed her lawyers to ask the company that produced "Erotica" to halt the distribution of the record. Feyruz claims that "Erotica" contains a passage from a hymn dedicated to the nailing on the cross of Jesus Christ, which she traditionally sings on Good Friday.

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WEATHER

Table with weather forecasts for Europe, North America, Middle East, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.

WEATHER

Table with weather forecasts for Asia, Africa, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

ACROSS

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73 "If You... But You Did," 1951 song
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7 Author LeShan
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10 Director Spielberg
11 London's Burlington
12 Since, in Stuttgart
13 December platitudes
14 1 sweater, to Ovid

White Christmas By John M. Samson

Crossword puzzle grid with clues for Across and Down.

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BOOKS

NAPOLEON: An Intimate Account of the Years of Supremacy, 1800-1814. Edited by Proctor Patterson Jones. 444 pages. \$85. Random House. Reviewed by Douglas Porch. THE termination of 25 years of political turmoil and war symbolized by Napoleon Bonaparte's exile in 1815 caused most Frenchmen to breathe a sigh of relief. Even before his body was interred in Saint Helena's barren earth six years later, however, his partisans had begun to fabricate a legend around the emperor that took significant liberties with the historical record. By 1840, when Napoleon's "ashes" were re-

tuned to Paris for burial in the Church of the Invalides amid public rejoicing, the Napoleonic Myth had attained its full flower. Two of Napoleon's former servants cashed in on the emperor's posthumous popularity — his private secretary, Claude-François de Meneval, and his chief valet, Constant Wairy. The France of the July Monarchy required a vision of Napoleon more sympathetic than complex. The edited memoirs of these two men, which supply the text for "Napoleon," offered a sycophantic portrait of the emperor playfully tweaking the ears of his subordinates on magnanimously taking up the mantle of his exhausted soldiers. "Napoleon" is a sumptuous tribute to the lingering fascination with the Napoleonic legend. Not surprisingly, the excesses of Napoleon's reign, are excused by

his former servants as products of the excess de zèle of his subordinates or blamed on the machinations of England. And, of course, Napoleon constantly had to lash out against the deceit and betrayal that stalked him. Acts that little flatter Napoleon's memory, like his restoration of slavery in the colonies, are passed over. Proctor Patterson Jones insists in his preface that the writings of Meneval and Constant (as he was called) are "Affirmative, believable, and interesting." He is correct on the last count, if one sifts through the often tedious propaganda to discover the anecdotal gems: Napoleon was such a mediocre horseman that he could be given only the most docile beasts to ride. Despite a court etiquette which rivaled that of Versailles under Louis XIV, he consumed his one-course meals in such haste that

he frequently could be found stretched out on the carpet in digestive agony. He especially loathed intelligent critics of his despotism, like Madame de Staël. If Napoleon surprised one of his entourage reading a book of which he disapproved, he would tear it from his hands and cast it into the fire. The principal attraction of "Napoleon" resides in its illustrations. More's the pity that the captions are written in the present and future tense, fitting awkwardly with a text that speaks of things past as past. Nevertheless, disciples of the Empire and others mesmerized by the Napoleonic legend will no doubt find "Napoleon" a colorful addition to their coffee tables. Douglas Porch, the author of several books on the French Army, wrote this for The Washington Post.



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